

NATIONAL MUNICIPAL REVIEW

VOL. VIII, No. 9

NOVEMBER, 1919

TOTAL No. 41

VIEWS AND REVIEWS

I

AN important theory of the founders of municipal research ran somewhat like this: "We will classify municipal expenditures crosswise and vertically like a chocolate layer-cake, analyze them, clarify them, unit-cost them, and lay down automatic deadly parallels between each item of last year, this year and next. Then when the whole budget is published and brought up for passage, the city hall will be crammed with taxpayers, with fingers pressed accusingly against certain tell-tale mathematics, demanding, for example, to know why the street commissioner needs 186 new brooms when he cleaned the same yardage last year with 130."

With a sense of humor that is not altogether traditional among municipal researchers, Mr. Routh dramatizes in this issue the case of Rochester where, as elsewhere, the projected scene in the city hall failed to materialize. It is the great disappointment of the research movement.

But let us suppose that somehow a crowd were attracted to the budget hearing! The researchers, happily directing their fascinated eyes toward that perfect table of statistics as the chief executive explains the items, would yet be as aloof from that crowd

as if it were still scattered on the streets outside. For the crowd is not interested in things but in men. While the executive talks, the perverse crowd is sizing *him* up. He wins favor for his plans regardless of what they may be, if he reveals to those candid eyes earnestness, simplicity, honesty, competency, humor, strength, kindliness, common touch. The fact that he has bulky shoulders may count as much as the savings on fire hose; a remark which indicates he loves little children is as potent as the falling death rate. His discussion of the budget is futile except as it serves to unmask his character and competency; it could be on another subject just about as well and is soon forgotten. But his hearers will not soon lose the impression that they do, or do not, trust that man.

For a second example behold the numerous candidates this fall who denounce prohibition and win on an issue that is legally dead!

Thus we find ourselves back at the one function which the people can and do do well—the selection of representatives, of men who are "our own sort" and with whom we will cheerfully stand or fall. The budget hearing is one more case in our politics of "duties" unavailingly thrust upon the people to

perform, another failure to make the collar fit the horse. The people have neither the preparedness nor the disposition to govern, just as they have no hankering to manage the corner grocery that serves them. They only want opportunity to switch their patronage if a new set of managers shows signs of better appreciating their desires.

II

The correct program for the researchers now is to fetch into the city hall a balanced group of uncontrolled sample citizens, including all varieties of race and condition and all grades of prejudice and ignorance, charged with responsibility by virtue of the fact that they have been popularly elected to give attention to just such matters. To such a jury, dull things can be explained. From it can be secured that attention and appreciation which good work readily commands when viewed at close quarters. Against the sneers of prejudice, this jury's endorsement is a bulwark to the administration, e.g.—"The council went into that matter carefully and your own representative and neighbor, Jerry O'Sullivan, was one of those who voted for it and you know *his* heart is in the right place!"

Our model charter correctly vests all power in a council, of a size that increases with the size of the city, elected by proportional representation and so purely representative in function that any man eligible for a jury and well enough regarded to pass a spot-light election, will be an entirely suitable member.

—As a defense from the possible scorn of some sensitive researcher, let the writer of these observations here hasten to record appreciation of the fact that although the research movement has not brought science into

politics, it has most happily brought science into administration and constitutes to-day the prime hope of reform!

III

A variation of this misconception of the people's part in government often is seen in election appeals; in the Mitchel-Hylan contest in New York city, for example. By every variety of research-bureau proof, the Mitchel régime deserved re-election. When Tammany cried "Dreamland scandal," Mitchel replied with a pamphlet of incontrovertible facts—32 pages—which the public did not read. When Tammany denounced the Gary schools as inventions of the devil and the steel trust, Mitchel's side had abundant data ready but the best "argument" was a bare endorsement secured from some labor leaders who visited a Gary school. The real question was always—"which side do you trust?" and Tammany and Hearst sowed distrust. The peak of their campaign was the triumphant discovery that one of the Vanderbilts called Mitchel "Jack." Thus while the Mitchel forces talked municipal technique, Tammany and Hearst disparaged Mitchel as a representative, building up a false picture of him that lasted through election day.

So long as we hazard a city's fate on a single personality, such slanders will be available instruments of politics. No single individual can be representative of a cosmopolitan city; the various elements of a great mixed majority can always be shown that he is not their kind. Not until the rulers of the city are made so numerous (as in a dominant council) that every section does have its own natural spokesman at the city hall, will we reach a stability whereon good administration can confidently be erected.

RICHARD S. CHILDS.

TWENTY-FIFTH ANNUAL MEETING

OF THE NATIONAL MUNICIPAL LEAGUE

TO BE HELD AT CLEVELAND, OHIO, DECEMBER 29, 30 AND 31

THE feature of this year's annual meeting of the National Municipal League will be a Moot State Constitutional Convention for the purpose of eliciting the current consensus of opinion among American civic leaders and political scientists on the various questions involved in the revision of a state constitution. The composite result of these sessions will be referred to our committee on state government

with instructions to draft a complete model state constitution comparable to our model city charter for submission to next year's meeting of the League.

The co-operation of the special societies in the field has been promptly and enthusiastically forthcoming. They will supply drafts of model constitutional provisions in their respective fields and defend them on the floor of the convention.

TENTATIVE PROGRAM

Monday December 29—10 A. M. AND 2 P. M. CONSTITUTIONAL CONVENTION

Presentation and explanation of all proposed provisions. Questions and five-minute speeches from the floor. No voting except such trial votes by show of hands as authors of amendments may request for their own guidance. Matters on which no opposition appears may be declared by the chairman, after warning, to be adopted, and will be omitted from the calendar on Wednesday.

1. Governor and Legislature; single house; state manager
By the National Short Ballot Organization
2. Proportional Representation
By Proportional Representation League
3. Budget
By Governmental Research Conference
4. Judiciary
By American Judicature Society
5. Civil Service
By National Civil Service Reform League
6. Municipal Government
By Committee on Municipal Program
7. County Government
By Committee on County Government
8. Initiative and Referendum
By National Popular Government League
9. Debt Limitations
Committee of One, A. N. Holcombe
10. Legislative Procedure
Committee of One, H. W. Dodds
11. Elections and Suffrage
By Honest Ballot Association

12. Labor

- Committee of One, Joseph P. Chamberlain
13. City Planning and Excess Condemnation
Committee of One, Frank B. Williams

Topics not yet assigned: Taxation, Amendments, Bill of Rights, Education, Public Utilities, Limitations on Legislation.

- 8 P. M. The Secretary's Annual Review
Election of New Council

Tuesday December 30—10 A. M. THE FATE OF THE FIVE-CENT FARE

Report of the Committee on Public Utilities,
Delos F. Wilcox, Chairman

One-man cars, zone fares, standards of valuation, extensions by assessment on property benefited, use of public credit, discussed by various speakers

- 3 P. M. With Political Science Association
and Governmental Research Conference
THE NATIONAL BUDGET BILL

Hon. James W. Good, Chairman Appropriations Committee, House of Representatives and others

- 7 P. M. The Public Servant Question

Wednesday December 31—10 A. M. AND 2 P. M. CONSTITUTIONAL CONVENTION

Presentation of Constitutional Provisions for adoption under parliamentary law.

- 8 P. M. LANTERN LECTURE

War Memorial Buildings. Walter Storey,
Bureau of Memorial Buildings, War
Camp Community Service

DEMOCRATIZING THE SCHOOL-HOUSE

BY LOUIS HEATON PINK

Brooklyn, N. Y.

THE public school is the bulwark of democracy not alone because it is the melting pot for our children. Immigration is constantly changing the face of our great cities, and men and women from all corners of the earth must be brought to a realization of brotherhood and Americanism. We are very much alike no matter from where we hail nor what God we worship. The problems of day to day life are the same for all.

The school-house is the bond of union for adults as well as children.

It is almost trite to speak of the wider use of the school. Every one nowadays believes in it. Yet there is still missionary work to be done, for of 603 cities with a population of over 50,000 reporting, only 129 use schools for social centers and but 23 for polling places. (U. S. Bureau of Education Bulletin No. 28.)

Woman suffrage and the cleansing of elections has brought the school building into use for election purposes.

It is difficult to realize that fifteen years ago Worcester, Massachusetts, was the only large city that used its public buildings for polling places. It seemed the logical thing to do, and Worcester did not know that it was doing anything out of the ordinary.

Los Angeles in 1911 began the crusade for the use of public buildings for elections. Unlike Worcester, this snappy Western city realized that it

had done something worth while and beat the drum, awakening other cities to the opportunity. Grand Rapids, Milwaukee, Madison, Salt Lake City were quick to follow; and New York, Chicago, San Francisco and Denver next came into the fold.

New York, in 1915, designated 21 school buildings to "try it out." The results have proven satisfactory, and three years later, 482 school buildings were used.

Chicago votes in more than 100 public buildings and uses fire houses and police stations as well as school buildings.

Nowhere has the plan failed nor caused unreasonable interference with regular school work.

There are in New York over two thousand election districts and about one-third as many schools. But if the law is amended to permit several districts to vote in the same building it is a safe estimate that the schools can accommodate half of the polling places. The money saved to the city by the use of school buildings would support the entire recreational and community center work of the board of education which has been seriously curtailed for the sake of economy.

The main reason for voting in schools is educational. It establishes the school-house as the capitol of the neighborhood—the common meeting place of the people, the backbone of our American democracy.

PINGREE OF DETROIT—DEMAGOGUE OR STATESMAN?

BY WILLIAM P. LOVETT

Executive Secretary, Detroit Citizens' League

How much does Detroit owe to Hazen S. Pingree? To how great a degree must his flaming leadership of a quarter-century ago be credited with the facts that Detroit, at the close of the war, is bursting with prosperity, claiming a population of 1,000,000 and a rating as fourth city of America in size, besides showing concrete proof of achievement in municipal government and civic affairs? Did Pingree lay the foundations for present constructions? Did he inspire the city and its people to rise above the average? Or was he a false alarm, a mere sensationalist, a corporation-baiter, more demagogue than leader, more charlatan than statesman?

I

On the negative side the hater of Pingree—most people either idolized or despised him, there was no middle ground—can find ready at hand, up to the minute, an entirely plausible list of points on which to base an indictment. His address to the jury might truthfully run like this:

Nobody in Detroit believes Pingree had anything to do with our past ten years of industrial growth. That has sprung from the establishment of the business of making motor vehicles, whereas Pingree made shoes. Our steady increase in population is the result of industrial enlargement, with high wages. Our governmental reforms might better be traced to Henry M. Leland, a man quite the opposite of Pingree in ideas and methods. And we are "the largest no-license city in America" because the people of Michigan made us that, in spite of our saloon majority.

That Pingree was a failure is evident when you consider that it is now thirty years since he began his fight for municipal ownership of street cars, yet the people of Detroit last April again voted down a definite plan for municipal ownership of the entire city railway system. At this moment the Detroit street railway commission is investigating the Cleveland plan whereby, through the Taylor ordinance, the city secures public control with private ownership. In Detroit the people face a desperate situation: natural expansion of the city in all directions is hindered by lamentable lack of transportation facilities and nobody has a real policy for getting the city out of the hole it is in. For thirty years the city has been dragged through the courts, and has dragged the street railway companies through the courts, with frequent appeals to state and national supreme courts—and in the words of ex-President Taft, "Detroit is still hanging by the gills."

That is how far Pingree got in actual accomplishment. He failed to solve the street car problem, by suggestion or deeds. He vainly fought combinations of capital in public utilities even foolishly promoting local competition in street railway transportation. He fathered primary reform and higher taxation of public utilities. He failed to get the latter, and the former, now that we have it, looks to a lot of people like a gold brick. They want to sell it to somebody else.

Now the facts for the jury to consider on the favorable side are that Pingree, four terms mayor of Detroit and two terms governor of Michigan, was not only a big noise but a big power; that during his eleven years of public service from 1890 to 1900, inclusive, he was like Roosevelt as a turbulent force and also as an actual man of achievement; that the category of his achieve-

ments is more than twice as long as that of his apparent failures; that the verdict for Pingree in Detroit is to-day universally admitted; and that the one influential newspaper which most consistently has fought municipal ownership, in the last campaign joined with the rest of the city in accepting it as a principle.

II

Pingree was by no means "the scholar in politics." He enjoyed being dubbed "a bull in a China shop." Napoleonic in militancy, he was officious, often unreasonable, in his moods. Being at the start no politician, he tried to learn the game and, with plenty of help, played it craftily. But before running for the mayoralty he was a success in business. His shoe factory, started in 1866 with \$1,360, came to operate with 700 employes, who turned out yearly a business worth \$1,000,000. He had an enviable record for three years in the Civil War. When Detroit organized in 1892 its first board of commerce, Pingree was a vice-president. He entered the office of mayor January 1, 1890, having been elected as a citizen and business man who hated politicians.

He was started on his tempestuous career, after nine months of quiet sailing, by a strike, followed with rioting, on the part of street car employes. Appearing for the time in the rôle of demagogue, the mayor sided with the strikers and thereby began a decade of fighting private corporations in the interests of the "common people." He died suddenly in London June 18, 1901, just after completing his four years as governor.

Pingree's potato patches, which brought him national vogue, were rather an index or symptom than a contribution of economic worth; they showed his bent of sympathy for "the

under dog." The plan was a success during the summers of 1894-97, in Detroit and a score of other cities, in that food products were supplied at low cost to hungry families, and men unemployed had something to do. The idea originated with Captain Cornelius Gardner, U. S. A., to whom Mayor Pingree delegated charge of the first 430 acres, from which 945 families were fed.

There you have visualized the Pingree mental bent on public problems. He first sided with the workmen and against the street car company. Then he took issue with private corporations generally because he believed their charges were high, their profits unfairly large, and hence they were "a tax on the masses" who must use their products. His chief objective was to "get" the rich man or company dodging public burdens and make them pay. His warfare against corrupt politicians grew from his discovery of some of the sources of corruption. It also came about because he naturally fought all who stood in his way.

His picturesquely sensational methods were not assumed but came to him naturally. It was natural for him to announce in his 1891 campaign that he had been "offered \$100,000 and the governorship" if he would stop fighting the street car companies.

He fought the corporations by continually vetoing ordinances passed by the council, and with equal vigor he fought "the immortal nineteen" in the state senate or the lobbyists who corrupted the law-makers. While other men, more gifted, wrote his state papers, he was abundantly able to do his own swearing. When the newspapers turned him down, he published his own bulletins, circulating them from the city hall steps. He stopped at Lansing a steal in military equipment, securing full restitution. He

was an original advocate of primary election reform and popular choice of United States senators. The argument in both instances was that old methods led to bribery and corruption and defeated the will of the people.

Constructively Pingree established in 1893 the Detroit municipal electric lighting plant, at a time when the idea was new and costly; this plant, in successful operation, goes to-day to his credit. It cut the original cost in street lighting more than half. Declaring early for municipal ownership of street cars, Pingree procured for his home city three-cent fares on lines which were operating at that rate up to last July. Even in war time the company has been unable to raise the fare, with universal transfers, on its main lines above five cents. In 1898 it was said that 40 per cent of the people were riding at three cents.

Likewise the mayor who "would rather fight than eat" won substantial reduction in the price of gas, in 1892, and the next year met the alleged high prices of the Bell Telephone Company by organization of a rival concern. From his activities came the inspiration of Tom L. Johnson, then a Detroit street railway manager, whose personal campaign later was waged in Cleveland.

As governor he did not live to see the fruition of his efforts in every case, but other men did. He was defeated on his program for ad valorem taxation of railways, telegraphs, etc., even after a constitutional amendment had been passed by popular vote. But the utility companies have never gotten the upper hand in Michigan affairs from that time to this.

III

What thinks Detroit about Pingree? The same it thought during his whole

lifetime, but with increased fervor. Then it never failed to elect and re-elect him to office, with large pluralities, often with majorities. He was far from being a voice in the wilderness, a prophet without honor in his own city. When he died the city and state joined in erecting to his memory a monument whose inscription names him as the "idol of the people," Detroit scatters busts and oil paintings of Pingree through its city hall and art galleries. It proves its heroic past by references to Pingree. When the present mayor last fall ran for office, a man unknown to political life, the strongest appeal his friends could make was to hail him as "a second Pingree."

His most bitter enemies never questioned Pingree's honesty. He may not have been a statesman—that would require an element of soft diplomacy which he abhorred. Neither was he, by choice, a politician. But, to quote a critical historian:¹

The worst that can be said of him in this respect is that he either shielded or pardoned those who abused his confidence; that he arrayed one class of the community against another; that he flouted the courts and taught others to do likewise. Of those numerous politicians who sought to use Mr. Pingree's popularity to further their own ends, it need be said only that they rarely succeeded in carrying out their purposes.

Whatever final history may say, Detroit believes Pingree served his city, his state, and his country with a distinction which stamped him as a man of real achievement. Detroit knows he was not a demagogue or charlatan. He was a real American citizen, a hard-hitting, courageous, honest, sincere friend of the people, a prophet of the new day which just now is about to dawn.

¹ Charles Moore, *History of Michigan*, I, p. 583.

HUMANIZING THE BUDGET

BY JAMES W. ROUTH

Director, Rochester Bureau of Municipal Research, Inc.

I

FROM the standpoint of the average citizen, "the budget" signifies a mysterious something that indicates how much tax money he must part with. The reason why taxes amount to so much are more or less vague in his mind, and generally are viewed as penalties for earning money, owning property, being a citizen, or living. Recently, also, many tax burdens have been explained as due in some indefinite way to "the war."

Dwellers in our more progressive cities are becoming used to the term budget, and know that "the budget" is passed or adopted each year by the legislative branches of their local governments. Most of them, however, wouldn't know the budget, if they met it unlabeled, and it is doubtful if many would derive much information from studying the various compilations of figures it usually contains. If this is true, does the budget really accomplish its purpose?

In explaining the many excellent reasons for having a budget, there generally is included a statement to the effect that the budget forms the work program of the government. What is a work program? Is it a group of tables showing past expenditures and future desires, or is it a concise, understandable explanation of what the work of government has been and should and will be if certain funds are provided? Certainly a program includes more than an itemization of probable expenditures for such uninteresting things as personal service,

fixed charges, maintenance and upkeep, etc.

In 1915, the Rochester bureau of municipal research was instrumental in installing a budget system, so-called, in Rochester. This system represented what was then conceded to be the best thought in executive budget-making. Even now it is considered a more or less model budget, and is the pride of the comptroller. In working for the adoption of the new budget idea, the work program argument was used heroically. Also, the holding of public budget hearings by the board of estimate and apportionment was advocated on the same ground. The adoption of the budget plan and the holding of public hearings both were a source of much gratification to the bureau. Last year the hearings were attended by one "interested citizen," one real estate operator, two newspaper men, four members of the bureau's staff.

This great display of public interest (?) in the government's work program, was almost overpowering. It made for much secret and public cogitation on the part of those of us who were among those present. What was the reason for it? The answer is quite obvious. The lack of anything human, understandable, or interesting in the tabulation of figures that constituted the proposed budget.

"Work Program?" Surely! A program to work the taxpayer to the limit—gently, insistently, absolutely sub-rosa. The figures given were accurate, properly grouped and classified—admirable as a feat in accounting—but altogether lacking in signifi-

cance to the uninitiated. No basis for discussion was given the public. No discussion was forthcoming. Hence, no objections, and the budget was adopted. Very simple.

II

All of this leads to one question. Of what public interest is a work program that does not state what work is to be done, but states only that because this or that unit of government spent so much in 1918, it must spend so much more in 1919? No one can become very enthusiastic over that kind of literature.

Isn't it possible for those who are interested in the development of the budget to humanize it so it will mean something to John Smith, who works in a factory, and owns a modest home on which he pays taxes? It would seem that a plan might be devised whereby the budget might include not only tables of figures—and those are essential, of course—but an understandable explanation of what the figures mean. For example, instead of indicating in parallel columns only "expenditures 1918," "authorization 1919," "increase or decrease," go a bit further and explain the why of the increase or decrease, and don't limit the explanation to salary increases or statements of that kind. The average citizen wants to know what kind of service he is receiving for his tax money, not what portion of it goes for "personal service," "capital charges," or "upkeep." So many things can be included under those general headings! Surely some of them may be interesting. Possibly some should not be there at all.

The first budget hearings in Rochester were well attended. Much interest was evidenced by various civic organizations and by many private citizens,

but no real information was forthcoming in response to questions that obviously reflected lack of definite information as a basis. In one particular, the question was asked if the request for some \$150,000 for the health bureau contemplated the purchase of a much needed ambulance for the municipal hospital. After much discussion and reviewing of past attempts to get the ambulance, it finally developed that no one knew whether or not the request did contemplate the purchase. A certain sum had been expended the year before for additional equipment, and the basis for the request was not need, but the previous expenditure. There are reasons why budget hearings are a farce in Rochester.

It may be argued that the procedure is a fault here. Undoubtedly there is room for much improvement, but the real trouble lies deeper than this. It is in the "budget" itself, that is no work program, simply a group of uninteresting tables of figures. The public is interested in *service*, not statistics. A real budget it seems might appraise service, might measure quantity and quality of return for moneys expended. And a work program should indicate the direction of improved service and the kind and value of that service.

III

Would not public interest be stimulated in matters of government if the budget were made a real work program and used as educational propaganda? Public officials undoubtedly would object to begin with, at least those of limited vision, but when the advantages of an approving public opinion were felt, the chance seems slight that such objections would persist. The pet projects of many a department head are neatly dispatched—without pain

or muss—by the visionless reviewing body that “cuts” requests here in order to pad them there.

This might be avoided by making the public see the return from proposed expenditures; by picturing the growth of the community and the consequent requirements for additional quantity of service; by measuring the quality of service rendered and the improved quality possible. If the picture cannot be drawn in the limit of one year, prepare a work program for five or ten or twenty years. Take the available school facilities, compare them with those necessary for next year, and for ten or twenty years from now. What money provision must be made next year and the following years to provide school space and other facilities for the children of the community? The city is expanding; its population also is increasing; it is becoming more densely built up, more streets are

paved or need to be paved. What are the money requirements to meet these demands for increased quantity of service?

A certain standard is observed in the quality of service rendered by the city's street cleaning forces. Streets are cleaned with certain frequency, refuse is collected at definite intervals. Is it for the good of the community to improve the quality of these services, and if so, what additional cost will result?

These are simply random examples. It seems possible, however, that an understandable, comprehensive, “humanized” budget might be developed that would tend to improve the quality and quantity of public service. In so doing might it not incidentally awaken some of our sleeping, indifferent citizens to an active interest in the affairs of their community? These things may not be included in the purpose of the budget—but what is that purpose?

THE CONTRALOR GENERAL DE MEXICO

BY THOMAS R. LILL

Certified Public Accountant, New York City; formerly Acting Director of the Mexican Financial and Administrative Reorganization Commission

The movement now on foot for the establishment of the office of comptroller general in the United States gives added interest to the recent successful creation of a similar office in Mexico, as an outcome of recommendations made by Henry Bruere, former city chamberlain of New York City, who visited Mexico during 1917 at the invitation of the Mexican government. :: :: :: :: :: ::

THE creation of the office of Contralor General was authorized by the Mexican Congress in December 1917. The law providing for the organization and defining the powers and duty of the Contralor was signed by President Carranza on January 18, 1918.

Before proceeding with the description of the organization, it may be interesting to give a short summary of events before President Carranza assumed office.

In 1916, after having been successful in the field, Carranza called a constitutional convention which was held in Quererto, February, 1917. The constitution adopted at this convention became effective May 1, 1917. At a general election President Carranza had been elected president and took office on the same date.

The condition of the country at the time was deplorable. When Diaz resigned the presidency in 1911 and Madero assumed office there was approximately 72,000,000 pesos in the treasury. Madero used a very large portion of this amount during his régime and Huerta disposed of the remainder. In addition "The Usurper," as he is called in Mexico, floated a large loan in Europe, the proceeds of which were entirely disposed of before General Carranza took office. Car-

ranza's campaign was financed entirely through the issuance of fiat currency together with the normal revenues of the territory under his control.

The latter part of 1916 saw the elimination of fiat currency as a medium of exchange. Bank note circulation also had greatly depreciated in value as a result of measures taken against the banks. The result of these occurrences was the forced adoption of a strictly metallic currency.

When General Carranza took office the country had practically been in a continuous state of revolution for seven years. The governmental organization had become completely demoralized, and as a result of the World War the revenues from customs, the main source of revenue in Mexico, had greatly decreased at the very time when increased revenues were necessary.

FINANCIAL DIFFICULTIES

The budget system of Mexico, as gradually developed under Limantour, was excellent. The departments submitted their departmental estimates to the secretary of the treasury who scrutinized and printed them in an orderly arrangement and submitted them to congress together with a statement from him as to how the

necessary revenues were to be procured. The budget was usually accompanied by a message from him describing the financial condition of the country and the results of operations for the preceding year.

During the last years of the Diaz administration the budget ranged from 100,000,000 to 110,000,000 pesos, and sufficient revenues were collected to leave a surplus at the end of each year. This included the necessary charges for interest and amortization of the public debt. The budget for the fiscal year ended June 30, 1918, amounted to approximately 177,000,000 pesos without taking into consideration the public debt. Shortly after this congress changed the fiscal year to correspond to the calendar year and a new budget was passed for the calendar year 1918 amounting to 187,000,000 pesos, likewise excluding charges for public debt.

The expenditures authorized by the two budgets referred to were far in excess of the estimated revenues, but in view of the condition of the country probably represented its approximate needs.

The revenues of the nation being inadequate for the expenditures authorized by congress, the government was confronted with a monthly operating deficit of about 5,000,000 pesos which was covered by loans from banks in Mexico and United States. Steps were taken to increase revenues and they are now larger than ever before in the history of Mexico, but not yet sufficient to provide for all the needs of the government.

With a monthly operating deficit it was realized by the government that real and effective economy in expenditures must be had and as a means of securing it two measures were adopted; viz., the establishment of the office of "contralor general of the nation"

who was responsible directly to the president, and the introduction of a monthly budget and allotment system which was made effective when once control was established over expenditures. (The question of budget reform is not here discussed.)

THE CREATION OF THE CONTRALOR

In accordance with the recommendations of the commission, the Mexican house of representatives the latter part of 1917 passed a law creating the Departamento de Contraloria. This law was very short and contained no provisions whatever for the organization of the department. When it became assured that congress would authorize the creation of this department work was begun on providing for its organization and defining the powers and duties of the contralor.

As originally recommended, it was proposed to establish the office of the contralor as a part of the treasury. With increased knowledge of governmental needs as a result of continued study it was, however, realized that the basis for any effective reform was to separate the responsibility for accounting from the responsibility for collecting and disbursing public funds.

After a number of conferences with members of the commission, including the acting minister of finance, Mr. Nieto, this reform was agreed to. The law providing for the organization of the office of contralor general was signed by President Carranza on January 18, 1918. In a protracted conference with him regarding the bill he stated that it represented what he thought was necessary to secure the results desired.

It is not modeled upon the system in vogue in any other country, nor was any attempt made to introduce any original features. The writer is famil-

iar with the administration of a number of foreign countries as well as with that of the United States, and the only object aimed at was to secure as effective and simple an organization as was possible. To do this, modern business methods such as now obtain in corporate practice were followed as far as possible.

The organization in Mexico was peculiar in that there were two departments of the government charged with the duty of auditing and examining accounts—the treasury department and the *contaduria mayor*, which was responsible solely to congress. The annual account was prepared by the treasury department and forwarded to the *contaduria mayor* for re-examination. All original documents pertaining to the collection and disbursement of public funds after being examined in the treasury, were also sent to the *contaduria mayor*.

The officers and employes of the *contaduria mayor* were appointed by, and were wholly responsible to, congress.

This plan of a double check, or perhaps it would be better to say a congressional check, of expenditures has never worked well. It required at least a year for the treasury to complete its work and forward the accounts to the *contaduria mayor*. This organization took at least another year, so that financial reports were usually from two to three years late.

The essence of reporting is to supply information as quickly as possible after the event, and the new contralor law provided for monthly and annual statements. In creating the *departemento de contraloria* it was desired for purposes of economy and efficiency to suppress the *contaduria mayor*, or at least modify its work. If congress still desired to have its own representatives examine and report upon the annual account rendered of the execu-

tive branch of the government it was recommended that the office be reorganized along the lines of a modern certified public accountant's office, and that it maintain constant supervision over the work of the contralor through a force of men working in that department.

It was realized by the officers of the government that this department was not effective, but for certain reasons it was not considered advisable at that time to modify its organization or duties.

To carry out the idea of having the contralor acceptable to the chief executive and congress it was proposed to have the contralor appointed by the president upon the advice and consent of congress. It was thought that such a procedure would satisfy these two branches of the government. This proposal, however, was not agreed to by President Carranza and the law as finally approved provides that the contralor shall be appointed by the president and that he shall be removed by him at his pleasure.

THE CONTRALOR'S POWERS

The problem of exercising effective control over public funds and property has to do in its simplest form with the following:

1. The collection, custody and expenditure of public funds.

2. The acquisition, custody and disposition of public property.

All of these matters were effectively covered by the contralor law with the exception of that relating to the disposition of public property which through an oversight was not properly covered.

The *departemento de contraloria* in Mexico has an auditor general, a chief accountant and a chief clerk and a corps of regional auditors and such

other officers or employes as are necessary. The contralor has exclusive jurisdiction over all matters relating to the audit and liquidation of the accounts of officers and employes charged with the receipt, disbursement or custody of government funds or property; over the liquidation of all debts, or claims of whatever nature in favor of or against the government; and over all accounting procedures; the preservation of vouchers; and has the power to inspect the accounting books, records and documents of any department of the government.

The decisions of the contralor general regarding the scope or purpose of an appropriation, special fund, or reserve, the application of any revenue, the legality of any disbursement or the disposition of property is final upon the executive branches of the government.

The contralor general is charged with the duty of keeping the accounts of the nation. He likewise prescribes the method of accounting and of rendering financial reports of all branches of the government. He is authorized to prescribe the procedure to be followed by officers and employes handling government funds or property, to prescribe the form of accounting books, receipts, vouchers and all other documents relating to the receipt and disbursement of funds or property. He may also require daily, weekly, monthly or special reports from any officer of the government.

An innovation introduced in Mexico was to give the contralor general the power to investigate the operation of any department of the government for the purpose of introducing better business methods, and of securing economies in operation. He was likewise authorized to make recommendations and suggestions regarding the annual budgets of the officers of such departments.

The contralor general, or any officers or employes duly authorized by him, is authorized to take evidence regarding matters within his jurisdiction. Punishment was provided for false testimony. To secure more effective administration of the federal business in the various states and territories, a corps of regional auditors was provided for, and it is proposed to establish a branch office of the contraloria in each one of the states and territories. This procedure is similar to that introduced in the Philippines by Governor-General Forbes.

DEVELOPING THE PROCEDURE

Within the City of Mexico, where the largest bulk of expenditures are made, the pre-audit system was introduced and it is hoped gradually to introduce this same system in the territories outside of Mexico City.

The procedure for the payment of claims is as follows: The claimant presents his bill to the department which incurred the debt. If approved by the department a warrant drawn to the order of the creditor is forwarded together with the original documents to the contralor general. After proper audit it is countersigned and forwarded to the treasury for payment.

Officers and employes of the government were prohibited from entering into any contract or obligation involving an expenditure of public funds unless there was an appropriation therefor, the unexpended balance of which, free from all other obligations, was sufficient to cover the expenditure involved.

Contracts exceeding 2,000 pesos were not valid unless countersigned by the contralor whose certificate was required to be attached to and became a part of the contract.

The contralor fixes the amount of the

surety to be given by each officer of the government and passes upon the validity of the surety offered.

One of the last articles of the law provides that all work relating to the audit and liquidation of accounts, as well as all employes engaged in such work are transferred to the departamento de contraloria.

This article has reference to the problem always present in government of the duplication of accounting work throughout the government. To what extent should the head of a department be permitted to indulge his proclivities for accounting?

Adequate information regarding the activities of a department is necessary for the proper administration of that department, but it is very hard to draw the line between the accounting which should be done within the department and the accounting which should be done by a comptroller.

To solve this problem the contralor general was made the judge as to what accounting should be done within a department. The head of a department must first go to the contralor and make a requisition for certain information. If such information can be procured from the contralor's books, no additional expense is involved. If, however, the contralor cannot furnish the information desired by the head of a department, he may authorize the department head to secure that information for himself.

I have referred to warrants being presented to the head of the department which incurred the debt. This now refers to the department of supply which was organized some months after the departamento de contraloria. In place of having anywhere from one to five hundred purchasing agents scattered throughout the various departments of the government, all purchases are now made by one man.

A new accounting system was installed in the central office of the government, including the necessary ledgers and forms. A new system was likewise installed in the customs service, internal revenue service and the twenty-eight sub-treasuries, as well as for the use of the disbursing officers scattered throughout the republic.

SUCCESS OF THE CONTRALOR SYSTEM

Hundreds of thousands of pesos have been saved by President Carranza with the assistance of the contralor general, Francisco Gonzalez, who has been a business man all his life and has never had any previous connection with governmental work.

Early in January of 1918 President Carranza approved a proposal for a monthly budget and allotment system. Each head of a department is required to submit a request to the president for the funds necessary to run his department for the succeeding month. These requisitions are carefully scrutinized, tabulated and after being approved by the president are forwarded to the contralor for his information and guidance. These monthly allotments are placed upon the books and through the effective control maintained, expenditures of a department are limited to the amount authorized by the president.

The economies secured in Mexico are very largely due to President Carranza himself. He spent a great deal of time in examining the different items in the budget and was always able to secure information regarding the different activities in any department from the contralor general.

The monthly pro-rata of expenditures of the government as authorized by the budget aggregated 16,500,000 pesos per month. Due to the forceful methods of President Carranza these

were reduced through the monthly budget and an effective control to approximately 10,500,000 pesos per month.

It appears not to be the fashion of the United States to say anything complimentary of President Carranza or of the members of his government. He is, however, very observant and has well defined ideas as to what should be done. During a conference regarding the administration of the

customs he stated that considerable economies should be made in the administration of this branch of the service, because he had observed in the custom houses along the border that there were a great many more employes in the Mexican custom houses than in the American custom houses.

The results obtained have fully justified the action of the Mexican government in establishing the office of contralor general.

THE FATE OF THE FIVE-CENT FARE

VI. THE MUNICIPAL STREET RAILWAY IN SAN FRANCISCO

BY M. M. O'SHAUGHNESSY

City Engineer of San Francisco

The successful operation of sixty miles of street car lines by the city of San Francisco has long been a favorite citation of the advocates of municipal operation. The enterprise is beginning to borrow pay roll money from its depreciation fund and is evidently not immune from the prevailing malady of high costs. :: :: :: :: :: ::

SINCE the beginning of street railway transportation San Francisco has been well to the front. It was here that the first cable car in the United States was operated, because of the fact that San Francisco is built on steep hills, making it almost impossible for the city to expand unless power-operated vehicles were employed, the grades operated over being in some cases as steep as 21.3 per cent.

The city was not slow to take up with the electric railway as soon as satisfactory equipment was assured and all of the present street railway mileage, where it is possible to employ electric power, is so equipped. There yet remain a number of grades over which it will probably always be necessary to operate by means of cable.

Following the natural tendency to keep to the forefront in urban trans-

portation matters, San Francisco also was the first in the United States to take up municipal ownership by the construction and operation of electrically operated street railway lines.

THE TRACTION MAP

The present mileage within the city consists of 360 single track miles of railway. Of this, 25 miles are operated by cable, and 335 miles by electricity. The electric lines are all standard 4 feet 8½ inches gauge, the cable lines 3 feet 6 inches gauge. The 360 miles of road are operated by two companies and the municipality. The California Street Cable Railroad Company operates a little over 10 miles of single track, using 38 cars.

The United Railroads operates approximately 286 miles of single

track, and owns about 700 electric passenger cars. The municipality operates close to 64 miles of single track line, owning and operating 195 electric passenger cars.

San Francisco has always been noted for the large number of passengers carried per car mile operated. This is due to the fact that the street grades are so steep in places as to be unpleasant for walking. The natural arrangement of the city is also conducive to riding, as all of the business portion is located at the northeast corner of the peninsula upon which San Francisco is built. This means that all of the population going into the business district or leaving San Francisco for the eastern side of San Francisco bay must go to one side of the city. This makes the average length of travel much greater than would be the case if the business district were at the geographic center.

Another condition which is peculiar to San Francisco is that Market street, 120 feet wide, the main business street, is diagonal to all of the northerly intercepting streets. This creates a congested condition, particularly so as the grades are very good and the distance between any two points close to Market street is very much less by that thoroughfare than via any other route. At the foot of this street is the Union Ferry Terminal, out of which operate ferry boats connecting with three transcontinental railways, railway lines north and south through California, and three suburban lines serving the population of Oakland, Berkeley, Alameda, and Marin county on the east and north sides of the bay of San Francisco. Over 60,000 commuters alone daily pass through this terminal.

This strategic position of Market street has provoked difficulties in connection with the operation of the street car lines, as will be brought out later.

THE MUNICIPAL LINE

Prior to the fire which destroyed a large part of San Francisco in April, 1906, plans had been prepared and funds secured for the acquisition by the city of the Geary Street Park & Ocean Railway. All thought of taking up this work was banished by the disaster, the money which had been appropriated for the railway work being used for the reconstruction and rehabilitation of streets and buildings. The Geary Street Railway's franchise had expired in 1903 and the company had been operating on a temporary month-to-month permit, paying into the city's treasury 5 per cent of the gross revenue. Following the fire they reconstructed their property and continued operating under this arrangement. After several unsuccessful attempts there was passed on December 30, 1909, at a bond election, a proposition calling for the expenditure of over \$2,000,000 for the construction of a little over 15 miles of single track overhead trolley electric railway over the old route of the Geary Street Railway, with extensions to the ocean on the west and the ferry on the east. This work was in part completed and placed in operation on December 28, 1912; the remaining portion being placed in service June 24, 1913. This railway was very successful from the outset, bringing in almost \$500,000 in gross receipts the first year of its operation, with a passenger car revenue amounting to 34.19 cents per mile.

At the time this road was finished the city was compelled to plan for the traffic of the Panama-Pacific International Exposition. This exposition was to be held in a portion of the city which was not adequately served by street railways. The privately owned roads declined to make the necessary extensions to serve the exposition. Plans were then made for greatly

enlarging the Municipal Railway System and in August, 1913, a bond issue to the amount of \$3,500,000 was voted by the people for the primary purpose of serving the exposition needs. This bond issue was to construct some 25 miles of additional single track and to purchase 7.8 miles of single track of the existing Presidio & Ferries System. Not only were these lines to serve the exposition but the routes were so laid out as to create the main trunk lines of a system reaching to a number of the important parts of the city, including a line along Market street. The work called for by the bond issue, except that on Market street, was carried out as per schedule, being ready for service prior to the opening of the exposition in February, 1915, the gross receipts from June 30, 1915, to June 30, 1916, amounting to almost \$2,000,000.

In 1916 the matter of constructing a line on Market street was again taken up. A great deal of opposition from the existing private corporation against building parallel outer tracks was encountered, resulting in the matter being carried to the supreme court of the United States. The city, however, after winning all of its contentions was able on June 1, 1918, to commence the operation of its cars along the full length of Market street over new tracks built outside of those belonging to the United Railroads. Market street now has four car tracks on it for its full length. As the street is 120 feet wide this does not interfere with vehicular traffic, although it prevents the parking of automobiles on the street at a number of points.

In addition to the lines which were built out of bond issues the city has built a considerable number of miles of line out of earnings. At the present time the city has approximately \$6,750,000 invested in its railway system, \$1,000,000 of which came

from earnings. During the past year it operated over 7,200,000 car miles with net passenger receipts of nearly \$2,500,000, the revenue per car mile being a little over 33½ cents. Almost 60,000,000 passengers were carried.

THE DECLINE IN REVENUE

When the road was first placed in operation the conductors and motor-men were paid on the basis of \$3 per day of eight hours. This was later increased to \$4, then to \$4.50, and beginning with July of this year the wage is \$5 for eight hours time. The wages paid by the United Railroads are lower, running from 46 to 52 cents per hour, but the men may work more than eight hours per day and every day in the month if they so desire; thus the average monthly pay of a man employed by the private corporation is greater than that of a man employed by the municipality where they are limited to eight hours per day and six days per week.

As indicated before, the passenger car revenue per car mile in 1912 amounted to over 34 cents. For the past fiscal year this same revenue was but 33½ cents. During the same period the operating expenses have increased from 15.9 cents to over 26 cents per car mile. There has been no increase in the rate of fare, while the average length of ride per passenger has been very materially increased. Increased expenses of operation have been met out of net earnings. Beginning with the first of July, 1919, when the last increase in wages was made, there will be no net income out of which to meet increasing costs or extensions with a continuation of the five-cent fare. Heretofore it has been the custom to set aside 18 per cent of the gross passenger receipts to cover depreciation and to provide a fund out

of which to pay damage claims. These funds are the only place it seems possible to secure the necessary money to meet the expenses. The percentage which has been set aside was very carefully determined at the time that we commenced operating the road. Other roads operating similar systems are allocating to depreciation reserve about the same percentage of their passenger receipts. In order to meet the July pay roll a small amount has been borrowed from this fund, although as yet no definite action has been taken by the board of supervisors of San Francisco as to the final policy which will be pursued.

The privately owned railway lines have not agitated for an increased rate of fare although the reports given out by the companies indicate that the companies did not meet their operating expenses and fixed charges during the past year, and they have not for a number of years paid dividends. Due to a number of causes it is very undesirable upon the part of the corporations to increase their rate of fare. This is partially due to the competitive nature of the Municipal Railway and the privately owned roads, and also because their franchises stipulate that the fare shall not exceed five cents. It is equally true that it is very undesirable for the city to raise the rate on

the Municipal Railway as it would immediately justify any claims the privately owned lines might make for a similar fare, at the same time causing unfavorable comment from the opponents of municipal ownership.

Within the past two weeks the transbay ferry lines have increased their cash fare rate to Oakland, Berkeley, and Alameda, from 11 cents to 15 cents, and the commutation rate from \$3.30 to \$4. The whole matter of street railway operation is being watched with considerable interest by all parties, but at the present time there is no surface indication of any change in street railway fares or operating methods. Taken on the whole, San Francisco, having one mile of single track for each 1,600 inhabitants, is very well provided with railway service of a high class.

While not wishing to advocate the increase of street railway fares at this time, it is my opinion that the traveling public can only expect to get what they pay for and that in any community served with street railways it is much more desirable that the returns to the corporation or to the municipality be sufficiently high to insure first-class service rather than to retain a low fare and allow the service to deteriorate.

THE FATE OF THE FIVE-CENT FARE

VII. TORONTO STICKS TO 3.9 CENTS

BY GEORGE H. MAITLAND

Municipal Editor of the Toronto Star

In Toronto, Canada, the replacing of a five-cent fare by something higher has never been discussed, for the very good reason that there is no five-cent fare to replace. The average fare on the lines of the Toronto Railway Company is less than four cents, and under an agreement dating back to 1891 this fare cannot be increased. :: ::

UNTIL recent years, the street railway company which handles the major portion of Toronto's traffic made money on fares averaging 3.9 cents. These fares are still in force, and will be until the city takes over the system on the expiration of the franchise in 1921. They run as low as eight tickets for 25 cents at the hours of maximum traffic, and all fares include universal transfer privileges over the company's system. During the hours mentioned, it is thus possible to ride more than 11 miles for a little over three cents. Yet the company has not only paid dividends running as high as 8 per cent, but has paid to the city, in addition to general taxes, no less than \$13,500,000 since it secured its franchise in 1891. These payments take the form of mileage charges and percentages of gross revenue called for by the company's agreement with the city.

The Toronto Railway's financial success was due to the limitation of its service to the territory which comprised Toronto in 1891, when it secured its franchise, and—so say citizens at any rate—to the inadequate accommodation which it afforded passengers even within those limits. However that may be, its financial success is admittedly a thing of the past. High costs of labor and material, operating against a

stationary fare, have put it in a position where it cannot make money. If it holds its own until the city takes it over, it will be doing well.

"HABITAT" OF THE TORONTO RY.

Toronto has a population of 499,278 and an area, exclusive of marshlands and water, of over 32 square miles. In the central part of this area, within the 16.23 square miles which formed the city in 1891, squats the system of the Toronto Railway Company, with one tentacle reaching outside these boundaries into the ward known as West Toronto. That is, the ramifications of the system are confined to the business section and older residential sections of the city, comprising about one-half the present area. The population within these limits of 1891 is to-day about 365,000. An additional 35,000—perhaps slightly more—live reasonably close to the terminals. That leaves 100,000 people out of the city's 500,000 who have either to walk an undue distance to get a car downtown, or else must pay two fares by utilizing the suburban lines or civic lines. Five of the latter serve the outer districts, but the whole central area of Toronto is sacred to the Toronto Railway Company. The best the outlying lines

can do is to hand their passengers over to the Toronto Railway at its terminals.

That is why the Toronto Railway has been able to make money. The courts have held that its agreement with the city, made in 1891, does not obligate it to go outside the then limits. By reason of this decision, it has escaped the construction and operation of lines in the outer and more thinly-populated sections of Toronto. Traffic has had to come to it, instead of it having to go out after traffic. It covers only one-half of Toronto, but in that one-half lives four-fifths of the city's population.

FARES UNDER WHICH IT OPERATES

The agreement of 1891 was for thirty years, expiring, therefore, in 1921. Its provisions as to fares cover the whole of that period and are as follows:

Cash fares.....	5 cents
Midnight to 5.30 a.m. (cash only).....	10 cents
Tickets.....	6 for 25 cents or 25 for one dollar
Tickets good 5.30 to 8 a.m. or	
5 to 6.30 p.m.....	8 for 25 cents
Sunday tickets (a later provision) 7 for 25 cents	
School children's tickets.....	10 for 25 cents

At these fares the Toronto Railway Company is still doing business over its 129 miles of track. As an additional handicap, it has to pay the city \$800 per year per mile of track, plus a percentage of its annual gross passenger receipts which runs from 8 per cent on the first million dollars up to 20 per cent on all over \$3,000,000. As the \$3,000,000 mark was passed years ago (this year's gross revenue will be about \$7,000,000) the company now hands the city 20 cents out of every *new* dollars worth of business it does, in addition to the graded scale of percentages on the previous year's business. In 1918 its payments to the city were as follows:

Percentages on earnings.....	\$1,046,495
Mileage charges.....	98,817
General taxes.....	155,954
	<hr/>
	\$1,301,266

The city, for its part, instals sub-structure for the company's tracks when these are renewed, together with pavement, and this has made considerable inroads on the city's revenue from the company. Undoubtedly, however, a considerable part of the \$13,500,000 which (besides taxes) has been paid to the city to date, has been clear profit, and this, instead of being conserved as a fund wherewith to help purchase the railway in 1921, has been used to reduce general taxation. The city has voted to buy the railway in that year, and under the terms of the agreement can then do so by arbitration without paying anything for franchise rights and at a valuation of physical assets based on a comparison of the railway with the best system applicable to Toronto. The city contends that these physical assets are out-of-date. The cars are narrow, but this the company will blame upon the city's reluctance years ago to permit the laying of tracks with a wide devil-strip. The rail on many streets is admittedly in poor shape. The engineer of the Ontario Railway Board recently demanded the relaying of about nineteen miles of it. And the company's equipment of cars has been insufficient; so much so that it has been fined by the railway board for neglect to provide additions to its rolling stock during the war. All these facts have more or less of a bearing upon the feat which the company has performed in paying dividends despite low fares.

SEEMED TO BE ON 8 PER CENT BASIS

At any rate, the company had come to be regarded as a regular 8 per cent

dividend payer, when, in 1918, it cut its dividend to 4 per cent, and, in 1919, dropped the dividend altogether. Conditions which were world-wide were affecting it. It finished 1918 with a balance of only \$21,569 and further wage increases in 1919 put dividends out of the question.

The company had been hit by high costs of operation, in addition to which it had charged into operating costs in 1918 a sum of \$253,479 for judgments and fines given against it, including a \$24,000 fine for not providing the cars which the Ontario Railway Board said were necessary to proper service. The ratio of operation and maintenance charges to passenger earnings tells the story of what happens to a railway which has to depend upon stationary fares when costs are constantly rising. That ratio for the Toronto railway has been as follows:

	Per cent		Per cent
1910.....	51.6	1915.....	57.9
1911.....	55.2	1916.....	57.0
1912.....	53.4	1917.....	61.5
1913.....	52.2	1918.....	71.7
1914.....	58.4		

It will be seen from these figures that even the early war years brought with them new problems of operation, but that 1917 and 1918 set a new high record for costs. Labor and material were on the upgrade. Fares were stationary. Of the gross receipts from new business, one-fifth went to the city. The demands of the employes for higher wages were insistent. And in 1919 things reached a climax during which the "fate of the five-cent fare" was settled so far as the remaining years of the Toronto Railway Company's franchise are concerned. The fate was this: fares cannot be raised beyond those provided in the agreement of 1891.

FIVE-CENT FARE AGITATION BEGUN

To understand the developments of 1919, it is necessary to go back to conditions in the fall of 1918, when an agitation arose among the Toronto Railway employes for a war bonus. Under an agreement to expire in June, 1919, they were receiving from 30 to 37 cents an hour, according to length of service, and they suggested an increase in the meantime to 43 to 48 cents to meet the high cost of living. At about the same time an office was opened in Toronto under the name of the association of holders of public utility securities, and it became, thereafter, a spreader of propaganda for "service at cost," which was another way of saying "a five-cent fare." The Toronto Railway shortly afterwards began publishing a weekly bulletin containing the same and similar material and distributed it freely to car patrons. It is sufficient to say that both the A. H. P. U. S. and the company's free bulletins disappeared after the five-cent fare question was definitely settled by a strike in 1919, which formed the climax of the whole agitation.

In the meantime, a Dominion Government Board of Conciliation was appointed late in 1918 to consider the claim of street railway employes for a bonus. Its award, issued in January, 1919, and retroactive to November, gave the men practically a two cent increase, their new wages running from 32½ to 39 cents an hour. More interesting still, the board declared that the company ought to be in receipt of a five-cent fare and hinted at the desirability of legislation to that effect. The Ontario legislature had confirmed the agreement under which existing fares are charged; it would also have to sanction any change which might be made. But nothing like that happened.

The company paid the new wages out of the old fares by cancelling its dividends, and so the situation dragged along towards the crisis which was involved in the expiration of the men's agreement last June.

The terms which they demanded before they would sign a new agreement included an eight hour day, instead of a day averaging nine and three-quarter hours; 55 cents an hour for everybody, instead of the 32½ to 39 cents awarded in January, and many other concessions as to overtime, Sunday work, etc. The company said flatly that it could not meet this requirement because it hadn't the money. It applied for a Dominion Government Board of Conciliation, and Judge John A. Barron (who had been chairman of the previous board) was selected by the labor department as chairman, to act with a representative of the company and one appointed by the men. The latter, however, declined to make an appointment. So the government appointed one for them and the board was constituted. Theoretically, this procedure makes a strike illegal, but what actually happened was that the men declined to take out their cars on June 22, 1919, and for twelve days the citizens of Toronto had to walk or jitney to their destinations.

WOULDN'T TOLERATE FARE RAISING

The strike had been preceded by the utmost efforts on the part of Dominion, Provincial and Toronto authorities to bring about an understanding. A five-cent fare was inevitably mentioned, and there was some board of trade and even some newspaper support for it. But the citizens in general would not hear of such a thing. Papers unfriendly to the fare increase printed columns of

figures purporting to show that much of the company's stock was water, that it had paid out on this stock, and otherwise diverted, funds which should now be available to pay increased wages; that it had cut a million dollar melon in 1911, and that its recent embarrassment was due to earlier prodigality. Much was also made of the fact that the Toronto Railway is the owner of the Toronto and York Radial Company, the Toronto Power Company, and, through the latter, of the Electrical Development Company, Toronto and Niagara Power Company, Toronto Electric Light Company and other concerns. Light on its relations with these subsidiaries was demanded before increase in fare could be so much as considered. It was also declared that a five-cent fare would yield \$2,000,000 new revenue, which was even greater than the company's estimate (\$1,748,000) of the amount involved in the men's demands.

On July 23, the second day of the strike, the Ontario Railway Board ordered the company to operate its cars. It was obviously impossible for the company to obey unless it met its own employes' demands. It had imported strikebreakers, but these were manhandled by the crowds and its barns where they were quartered attacked. It remained, therefore, for the railway board to exercise its statutory power to operate the road itself and charge the cost against the company, and on June 26 the board did take over the road and appointed the city's works commissioner, R. C. Harris, as manager. But the best offer made to the men to work for the board was 41 to 48 cents per hour, which was the wage then being paid on the city's own lines where there was no strike. That offer was declined and the board was left with an idle railway on its hands.

MEN ACCEPTED AWARD

Then, on the last day of June, the conciliation board, which had been busy hearing both parties to the dispute, issued an interim report advising payment of 55 cents to employes of nine months' standing and 50 cents per hour for the first nine months of service, the work day to be eight hours, with half an hour extra allowed to complete runs. Other concessions as to overtime, etc., were also made, but the whole award had, as a condition precedent, the granting of a five-cent fare to the company.

The conciliators, however, had no power to change the agreement with the city and, therefore, could not alter the fare, though they hinged their award on such alteration being made. The Railway Board was also powerless to change the fare, but it offered the men the wages suggested. The men accepted the offer, and, under its provisions, went back to work under Ontario Railway Board management.

The old fares continued, the civic authorities declining to be a party to any change. In the meantime, an investigation of the company's books was being made by city and Ontario

Railway Board accountants. Not relishing this, and being disinclined to have their road run by outsiders, the Toronto Railway on July 8 took it back, continued paying the new wages, and it has since been operated at these wages without increased fares, though the final report of the Board of Conciliation, issued in August again suggested five cents. Hundreds of men have had to be added to the operating staff in order to run the system on an eight hour day.

The situation now is that the company is paying 55 cents an hour as compared with 27½ cents prior to June of 1916, or an increase of 100 per cent in three years. It cannot increase its fares. It faces heavy expenditure for the replacement of admittedly dangerous track and is in default the greater part of 200 cars which it was ordered by the Ontario Railway Board to provide. Its stock, as high as 148 in 1913, has fallen to 42. The manager has declared that the directors are willing to sell to the city on an arbitration basis, but no notice has been taken of his offer. The city will sit tight and compel the road to furnish service at an average fare of 3.9 cents until 1921.

HOW ADMINISTRATIVE CONSOLIDATION IS WORKING IN IDAHO

BY D. W. DAVIS

Governor of Idaho

This statement is companion to the more technical supplement on "Administrative Consolidation in State Governments" enclosed with this issue, and comprises material used for the author's address at the governors' conference in Salt Lake City in August, 1919. The detail of the Idaho plan is given in the supplement. :: :: ::

THIS is the dawn of a new era in civil administration. As I have watched the workings of the new plan of the cabinet form of centralized state government in Idaho, where 51 departments, boards and bureaus have been put under nine heads, I am convinced of this. I have actually seen the enthusiasm, the exchange of ideas, the feeling of added responsibility, as I sat in the cabinet meetings and have noted the difference between the old régime and the new, and I have come to believe the day past when the worn-out, creaking system of state government will do. That the red tape and costly duplication of the past is gone in Idaho, is my firm belief.

I believe we will all agree that public opinion is the final court which sits on the acts of public officials, and this public opinion is tired of the loose methods that have characterized the conduct of state affairs in most of our commonwealths in the past. The public is tired of the bushwhacking methods of politicians who, seeking personal power and the false satisfaction that goes with it, have made themselves and their efforts repulsive.

There is much to make us believe that the great war just ended has not only taught us military and moral lessons, but also political lessons which it is well for us to absorb. Despite a

plentitude of money and man power we and our allies could not win the war against the centralized forces of the Central Powers until we ourselves became centralized. It was putting the power of direction and administration in central hands that finally won the war.

In these days of unrest we have another war to win. It is the war for civil health, and we can be victorious by the accomplishment of intelligent centralization of the functions of state.

ITS HAPPY RECEPTION

A broader spirit prevails in Idaho to-day than I have ever known before. The people of our splendid commonwealth seem willing to give the consolidated form of state government a fair trial. There will be objections I know, yet the spirit has been so splendid up to this time that I cannot refrain from speaking of it. Not long ago it came back to me that one of the former governors of Idaho, a distinguished private citizen now, and a member of a political party opposed to mine, a man who had been through the responsibilities of the governor's chair and knows its problems, said: "The Davis law providing for the consolidation of state governmental functions is the best piece of legislation placed in the

laws of Idaho since the adoption of the constitution." I refer to former Governor James H. Hawley. The considerable following of Governor Hawley will help make public opinion favorable even before we can get big results, but already the public of Idaho is gaining confidence in the plan through definite knowledge of what is being accomplished. It was not so much the effect on the people of what this man would say that pleased me, but rather the indication of the broad spirit of patriotic love for his state which he had which shows the trend of the times.

This broader spirit of partisanship is tearing off the false mask of political self aggrandizement and leaving the office holder the sculptor to fashion the statue called "Results" with either efficient or inefficient fingers before the gaze of a great and thinking people, and no governor it would seem to me is able to "deliver the goods" as they must be delivered without the centralization of the functions of state government such as we have to-day in Idaho.

MAKING OFFICE ATTRACTIVE

This centralization has two marked effects. It brings better men into public life and it arouses in the people a higher regard for their duty in selecting their officials. You will all agree with me that throughout the political history of the states, governors have taken office without a working opportunity, and that the pathway of their political life has in a great number of instances been strewn with the wrecks of political tragedy. Business and professional men, knowing this, could not afford, they thought, to take a state office below the governorship, nor even the governorship, because they could not take the chance of losing caste in their state. But under this new system

state government becomes a great business, and good men can be drafted to become general managers or heads of departments because their intellect and energy can be developed and results shown.

The system's success largely hinges on department heads, and in Idaho I have been successful in drafting big men for the several departments. Their salaries are small and will be until the public recognizes the value of the men, but the ideals of office-holding are raised by the opportunities for good and big work which come to them. Under this system there is no stated time for a term of office, and when the public realizes what it means, the good men will stay. Under the old system an appointee to a board or even to the headship of a department knew he would retain office for at least two years. He was a politician placed for political reasons and he did not have to report to any one. To-day the success of the system and the success of the individual responsible for it depends on efficiency. Most of these men are experts in their line and therefore dependable, so that office-holding is a higher occupation in Idaho than ever before, and this has had an astonishing effect on the personnel of our workers.

For instance, in the department of finance which is substituted for the state depository board and the state examiners, I have been fortunate enough to secure an extremely successful banker, and a man of large affairs to whom the salary of the position is practically nothing. He is serving because he loves Idaho and sees the opportunity to make a splendid record.

At the head of our department of public investments, which takes over the duties of the land register and part of the duties of the land commissioner and operates our newly created invest-

ment bank, is a man who at one time held a high salaried position with a great mortgage company and he knows values.

In the department of public welfare a man of broad sympathies, with wide experience in Washington and with four years to his credit in pure food work, is the head, and this department has in charge under the new régime, the state asylums, the soldiers' home, the state board of health, the bureau of vital statistics, dairy food and sanitary inspections and the state bacteriologist.

In the department of agriculture I have a man who has spent his entire life time in successful farming and stock raising and he knows the inner problems of the agriculturist. He has taken over 12 departments, while the head of the department of law enforcement has seen 13 chairmen and 13 secretaries as well as the same number of boards and bureaus, disappear. This man assumed the headship of the department at the same time acting as secretary of state, but in doing this we saved one salary, for he receives no remuneration for his work as head of the department of law enforcement.

The department of public works has as its commissioner an Idaho man who received his schooling in business of more than 20 years in the purchasing and administrative departments of a number of great mining companies and he became particularly well qualified to take charge of the purchasing department, the highway commission, the building of the capitol wings and the superintendency of public works.

At the head of the division of commerce and industry, which took over the duties of the bank commissioner, the insurance commissioner, the management of the state insurance funds and the administration of the blue sky law, I appointed a man whom I had

selected for state bank examiner and he also is a banker of wide experience.

The department of immigration, labor and statistics, in which is incorporated the publicity bureau, is in charge of an experienced newspaper man. He prepares the advertisements for the state land sales and he is an expert, not only in writing attractive stories on the advantages of the state but in calling the attention of the people through advertising to its advantages.

SOME TANGIBLE RESULTS

In this connection another splendid example of business efficiency stands out with financial results to back it as a plan when it is found that under one man some of the functions of the former land department—made up of elective officers—have brought a profit in land sales of more than a quarter of a million dollars over previous sales for the same amount of acreage. The department itself has been run at far less overhead than was thought possible in the old days.

Another of my commissioners, who is serving purely from patriotic purposes, is the head of the reclamation department and he had not more than assumed office before he was called upon to exercise all of his talents because of the water shortage. An engineer of high standing, the income he now receives is small in comparison to what he might make just at this time, but he realizes that the record of his department and the wide acquaintanceship which he will make will be a huge asset to him if at anytime he again should enter private engineering work.

As several of you may know, Idaho's north and south highway has been the subject of oratory in our state for the past six campaigns, but until recently

it has remained an illusory boulevard, existing largely in the minds of politicians. Those connected with the administration have taken no inconsiderable pride in an announcement from our commissioner of public works to the effect that the north and south highway will be safely passable by the summer of 1921. The road will become a reality with the completion of two contracts recently let which total more than a million dollars.

The department of commerce and industry has adopted a policy of personal interest in the welfare of the individual bank. Series of improved forms have been suggested to different bank directors and in more than one instance it has been found possible to change profitably an entire system of bank management.

Increased receipts and decreased office expense have been outstanding features of the administration of the commerce and industry commissioner. The figures show favorable balances in both the receipt and expense columns.

A recent achievement of the commissioner of immigration, labor and statistics was thorough advertising of a resale of eleven thousand acres of state lands at Rexburg. This transaction netted the Idaho treasury \$187,000.

Vigorous efficiency in the department of public investments already has begun to pay substantial dividends. The commissioner reported at a recent cabinet meeting that his collections on certificates of sale of land, timber and interest on loans for the seven months ending July 31 were approximately \$300,000 greater than the ingatherings of the same period in 1918. Legal action is the sword being relied upon to sever the gordian knots into which many of the state loans had revolved themselves. Sales already have been made in several instances and there are now in the courts 47 cases which will be

carried to a prompt conclusion, while there were found as an inheritance of the old régime 151 past-due mortgages, some on which neither interest or taxes had been paid in five years.

In other years, when the state register commenced suit on an overdue loan, he was often interfered with by our over zealous land board, but the present commissioner of public investments is not and will not be deterred by action interrupting the full exercise of his authority.

In brief, Idaho's farm loan transactions are being raised to a plane of business efficiency. Encumbered mortgages are being cleared and unfortunate loans are being either foreclosed or re-written on the basis of a sane valuation of the property. A banker myself, I confess that I was rather more than astounded by the condition in which I found many of the state loans. It was once asserted that Idaho had never lost a loan dollar, but the sole reason that boast could be made successfully was that no attempt had been made to collect from delinquent debtors.

Our commissioner of agriculture has declared that he intends to protect the farmer adequately from the moment his seed is planted in the ground until he actually receives his check. Pursuant to that policy he has established thoroughly advertised grades on Idaho potatoes, hay, grain, apples, prunes, and cherries; he has furnished the farmers market reports in the form of a regular bulletin service; he has authorized the licensing of capable individuals to weigh grain at the various bonded warehouses in the state; he has seen that sufficient inspectors have been put into the field to guard against all species of injustice and he has examined carefully into charges of fraudulent dealing and he has launched vigorous campaigns against both plant and

animal diseases wherever he has found them.

The agricultural department is vitally important in the state of Idaho because 65 per cent of our people are intimately interested in some form of food production, and three hundred thirty-five millions of our wealth may be found invested in land and live stock.

Administered by the secretary of state, at an initial saving of the salary which would have been paid a commissioner, the department of law enforcement has achieved unusual things in its bureaus of constabulary and of fish and game. In the fish and game bureau more than twice as many licenses have been issued in the first six months of 1919 as were issued in the same period of the preceding year, and there is every reason to expect that this ratio will continue to manifest itself. The officers of our state constabulary recently have been paying particular attention to licenseless automobiles and to the occasional bootlegger who still inflicts his wares upon a long suffering citizenry. It has been estimated that revenue saved by the strict enforcement of the automobile licenses law alone has more than paid for the operation of the constabulary bureau.

In the department of finance foundations are now being laid for the preparation of a state budget which will eliminate the serious evils resulting from haphazard appropriations made by legislative committees. This budget will be a careful, scientific analysis of the financial needs of our institutions and departments designed, of course, to enable the legislature to authorize equitable expenditures. The commissioner of finance recently has introduced into all the counties of the state a new and thoroughly modernized system of bookkeeping. Where before

there were 44 systems, now there is one. County officials throughout the state have acknowledged that this improved system affords complete records, makes information readily available and saves time.

This department has examined carefully the bonded indebtedness of the several counties with the view of supervising bond sales. Recently, too, it has carried on an active campaign through the banks of the state, urging against the exchange of government bonds for other so-called securities. This latter campaign has met with a cordial response from patriotic individuals.

Complete co-ordination of the work of our three state institutions devoted to the care of the insane, has been one of the outstanding achievements of the commissioner of public welfare. By a process of conferences, visits of inspection, and continual contact through correspondence, the superintendents of the three asylums have been enabled to profit by their mutual mistakes and mutual proficiencies. Surveys of all three institutions will be made some time in the near future by investigators representing the National Committee on Mental Hygiene.

Among the spectacular accomplishments of our commissioner of reclamation was the satisfactory adjustment of difficulties arising from Idaho's unusual water shortage of the current year. The state was faced with the most serious water scarcity in its history and it can readily be imagined by those who know irrigation that the commissioner was overwhelmed with conflicting claims. His success in making satisfactory adjustments speaks well for his ability both as a diplomat and as an engineer. His solution of the problem, which was both physical and psychological, and the rotation of water under his direction literally saved millions.

By a careful compilation of weather bureau reports for the past 20 years the commissioner of reclamation expects to be able to issue timely warnings if there is any likelihood of a repetition of our 1919 calamity. He believes that failure to use early spring water contributed largely to our present difficulties and thinks that if the farmers can be warned in time next year a similar catastrophe may be avoided.

In private business we have all of us noted that where individual responsibility is lacking there is lacking efficiency. The same thing holds true in

public business. The individual with no responsibility does not get results. Even great business men to-day at the head of great corporations, employ professional auditors to check them up and to make them report to themselves. The centralizing of public business where heads of departments and their subordinates have some one to check them up means better work. The board or bureau of the old régime provided a cloak behind which the individual might hide his procrastination or weakness. To-day in Idaho the cloak is rent and the individual exposed.

DEPARTMENT OF PUBLICATIONS

I. BOOKS RECEIVED

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NEW TOWNS AFTER THE WAR. By New Townsmen. Letchworth, England: Garden City Press, Ltd. Pp. 84. 60 cents net.

ORGANIZED EFFORTS FOR THE IMPROVEMENT OF METHODS OF ADMINISTRATION IN THE UNITED STATES. By G. A. Weber. New York: D. Appleton and Company. Pp. 391. \$2.75.

PAPERS AND DISCUSSIONS. 1916-1917. London: Town Planning Institute. Pp. 202.

PEACE AND BUSINESS. By Isaac F. Marcossou. New York: John Lane Company. Pp. 292. \$1.50.

THE DECLINE OF ARISTOCRACY IN THE POLITICS OF NEW YORK. By Dixon Ryan Fox, Ph.D.

New York: Columbia University. Longmans, Green and Company Agents. 1919. Pp. 460.

THE HEALTH OF THE TEACHER. By Dr. William Estabrook Chancellor. Chicago, Ill.: Forbes and Company. Pp. 307. \$1.25.

THE JOURNEYMEN TAILORS' UNION OF AMERICA. A Study in Trade Union Policy. By Charles Jacob Stowell, Ph.D. University of Illinois Studies in the Social Sciences. Urbana, Ill.: Published by the University of Illinois. December, 1918. Pp. 143. \$1.

THE UTOPIAN WAX. By John Vieby. South Bend, Ind.: Co-operative Print Shop. 1917. Pp. 213.

WOMEN'S WAGES. By Emilie Josephine Hutchinson, Ph.D. New York: Columbia University. Longmans, Green and Company, Agents. 1919. Pp. 179.

II. REVIEWS OF REPORTS

Municipal Finances for 1918.—In 147 of the 227 American cities of more than 30,000 population the excess of expenditures for governmental costs, including interest and outlays for permanent improvements, over revenues during the fiscal year 1918 amounted to \$70,923,990, or \$3.48 per capita. In the remaining 80 cities the excess of revenues over expenditures was \$22,323,060, or \$1.60 per capita. Taking the entire 227 cities as a group, the excess of expenditures over revenues amounted to \$48,600,930, or \$1.42 per capita; but the revenues exceeded the payments for current expenses and interest by \$229,762,507, an amount equal to four-fifths of the total outlays, which aggregated \$278,363,437. In other words, the cities of over 30,000, taken as a group, are paying from their revenues all their current departmental expenses and interest and four-fifths of their outlays.

These are among the significant facts presented in a report entitled "Financial Statistics of Cities Having a Population of over 30,000: 1918," soon to be issued by Director Sam L. Rogers, of the Bureau of the Census, Department of Commerce. This report, which was compiled under the direction of Mr. Starke M. Grogan, chief statistician for statistics of states and cities, gives detailed data in respect to the

revenues, expenditures, assessments, taxes, indebtedness, and assets of the 227 American cities of more than 30,000 population.

Revenues. The aggregate revenues of all the cities during the year were \$1,124,094,899; the aggregate expenditures for current expenses and interest, \$894,332,392; and the aggregate outlays, \$278,363,437.

Of the total revenues, \$790,577,487, or 70 per cent, represents receipts from the various kinds of taxes. The bulk of this amount, \$705,723,158, was derived from the "general property tax," made up of taxes on real and personal property. Of the remaining receipts from taxes, the largest item, \$35,576,383, was derived from taxes on the liquor traffic. This amount is smaller by \$1,398,000 than the corresponding sum reported for the fiscal year 1917, although the total number of cities covered by the report is greater by eight in the later year than in the earlier.

Next to taxes, the source of the largest item of revenue is found in the earnings of public-service enterprises, which amounted to \$116,494,645. This sum is considerably more than double the amount of payments for expenses of public-service enterprises, \$55,174,480, thus leaving a net revenue from this source of \$61,320,165. The bulk of the earnings of public-service enter-

prises came from water-supply systems, from which the receipts aggregated \$90,139,705.

Another important source of revenue consisted of special assessments and special charges—the bulk of which were for outlays—aggregating \$72,673,785. This sum is appreciably smaller than the corresponding amount reported for the preceding year—\$83,195,596.

For all the cities taken as a whole the per capita receipts from property taxes amounted to \$21.03; from other taxes, \$2.00; from earnings of public-service enterprises, \$3.39; from special assessments and special charges for outlays, \$2.12; and from all other sources combined, \$4.20.

Expenditures. The expenditures during the year for governmental costs in these 227 cities, which aggregated \$1,172,695,829, were in the order of their importance: For expenses of general departments (legislative, executive, and judicial establishments, schools, police and fire departments, sanitation, etc.), \$690,160,283; for outlays, \$273,363,437; for interest on indebtedness, \$148,997,629; and for expenses of public-service enterprises (water-supply systems, electric light and power systems, docks, wharves, landings, etc.), \$55,174,480. The amount expended for outlays was somewhat smaller than the corresponding sum for the preceding year, \$286,529,990.

The average per capita expenditures for all governmental costs, including interest and outlays, in the 227 cities amounted to \$34.16; and for all governmental costs, including interest but excluding outlays, the average per capita payments were \$26.05.

Cities in which revenues exceed expenditures. In all but four cities the revenue receipts exceeded the payments for current governmental expenses and interest; and in 80, or 35 per cent of the total number covered by the report—including the cities of New York, St. Louis, Pittsburgh, Los Angeles, Washington, Portland, and Denver—the revenues exceeded the entire expenditures for governmental costs, including interest and outlays. During the preceding fiscal year the revenues exceeded the total expenditures in 90 cities, or 41 per cent of the entire number covered by the report for that year.

Indebtedness. The net indebtedness (funded and floating debt less assets in general sinking funds) for the entire 227 cities amounted to \$2,661,461,218, or \$77.53 per capita. The net increase during the fiscal year for all the cities

taken as a group, \$59,191,152, was very much less than the corresponding increase during the preceding fiscal year in the 219 cities covered by the report for that year, which amounted to \$98,846,896.

The net indebtedness of New York City alone, \$1,005,055,422, is more than three-fifths as great as the total for all other cities of over 30,000 taken together, and is more than seven times as great as that for Philadelphia, which stands second in this respect with a net indebtedness of \$136,183,943.

Statistics of Municipal Finances. Second Annual Report of the Wisconsin Tax Commission.—This is a valuable document, though not easy reading, because of the light it throws on the cost of government. It will help to dispel many false ideas and to bring out clearly much information on the sources and disposition of public revenues. Perhaps the most significant fact disclosed is the increased cost of government. The figures, which of course relate to Wisconsin, show that as compared with \$89,243,234.94 in 1912, the total disbursements of all public bodies in Wisconsin in 1918 were \$143,337,163.26, an increase of two-thirds in six years. The increase was largest in cities, the expenditures for cities jumping from \$30,840,772.00 to \$49,635,260.00 during the period mentioned. Schools and highways absorb almost 50 per cent of the public revenue, while 7 per cent is more than enough to pay the salaries of all public officers and employees in all civil divisions of the state. Analysis of the mass of data presented in the report will well repay those who deal with problems of public finance.

The Reform of Political Representation.—This propaganda pamphlet, by J. Fischer Williams, first printed in 1914, is of especial interest now on account of the scheme of proportional representation for the proposed Irish senate and house of commons, and the very considerable minority which forced the matter as applied to the other parts of the United Kingdom before the British house of commons in 1917.

The pamphlet is decidedly the most compact and easily understood of the literature on proportional representation. It summarizes the arguments pro and con which have been developed previously and more elaborately presented

in Humphrey's Proportional Representation, 1911. While the illustrations and applications relate to British elections, they are of course typical of all countries which have adopted parliamentary government on the single member district system. Especially useful are the detailed instructions and rules for conducting elections on the system of the single transferable vote. The pamphlet also has a few pages on the progress of the movement outside of the United Kingdom.

JOHN R. COMMONS.

Standards of Child Welfare is a report of the proceedings of a conference on the subject held under the auspices of the federal children's bureau at the conclusion of its "children's year" campaign, which covered the second year of the war. The conference had for its purpose the crystallization of the general educational and interest-arousing values of the campaign, and in addition to hearing a number of papers on many special phases of child welfare work, it appointed a system of committees to formulate comprehensive standards for child care. The list of those presenting papers to the conference is a formidable one, as is also the list of committee members. The ground covered by the conference includes both economic and social standards for child labor, health of children and mothers, and care of children having special needs. The report also contains the standards drafted by the committees for the consideration of the conference.

Municipal Reform in Philadelphia is the title of a convenient little pamphlet giving a summary of the provisions of the new Philadelphia charter approved by Governor Sproul on June 25 after a legislative struggle of several months. In an introductory summary Senator Boies Penrose laments the fact that the new charter "does not definitely and at once cut away the incubus of partisan nomination, election and responsibility for municipal rule. . . . but nevertheless," he says, "Philadelphia, most conservative, most glorious and most American of American cities, has in its new charter an instrument and opportunity for advancement such as has never been presented in its municipal history. Given a full and free expression of public will at the polls, it will take a tremendous forward step among its sister cities, and forever repudiate the brand of 'corrupt and contented.'"

Venereal Disease Ordinances is a pamphlet, issued by the United States Public Health Service, containing a number of ordinances, each of which has been in successful operation in different cities and has been found effective in its particular phase of the general fight on prostitution as the greatest cause of the spread of venereal diseases. These ordinances are recommended for municipal enactment with the suggestion that in every case they be examined by competent local counsel for changes dictated by special constitutional, legislative, or charter considerations. With each ordinance is an explanation of it and of the object sought to be accomplished by it.

Social Service Directory of Philadelphia issued by the municipal court. This directory lists alphabetically nearly 1,200 social service organizations in the city. A subject index contains more than 2,000 classified activities of such organizations. The book includes not only organizations dealing with families, relief, children, hospitals, and institutions—as in an earlier edition—but also church social service, religious, civic, and war service groups. The name of the executive officer of each organization is given, together with a statement of its activities and publications.

The Governors' Conference Proceedings for 1918, covering the tenth annual meeting of governors, held at Annapolis (Maryland) in December, contains several interesting papers and discussions on questions of state policy with regard to military organization, public employment, agriculture, education, labor, land, and workmen's compensation. They are of value for their statements of policy already adopted in certain states for the solution of some of these problems, and are illuminated by such discussions as bring out the nature of modifications required to adapt these policies to other states.

Madison Our Home.—The author has attempted to cover in a small compass, and in a form suitable for both school work and general use, a mass of data referring to the city of Madison, historically, politically, educationally, and prophetically. The first heading in the table of contents is "prehistoric period—the Indians," while toward the end we find "effects of tobacco and alcohol" and "politeness and courtesy." The book has value, but would have had more if it had not attempted to have so much.

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NOTES AND EVENTS

I. GOVERNMENT AND ADMINISTRATION

Montreal Experiments with Administrative Commission.—The city of Montreal is passing through an experiment in municipal government that is worthy of careful study. This experiment is an effort to solve municipal and political evils from which the city has suffered in the past, or at least to gather experience upon which a solution may be based. An understanding of the situation may perhaps best be had by recalling that in 1910 a board of city commissioners responsible to the city council was appointed in an effort to inject better politics in the government of the city. But the aldermen were not prepared for public finance, which means higher taxes in order to keep a fair balance between revenue and expenditure. The tax rate had long been at one cent on the dollar, plus the school tax, and the council preferred to pile up the public debt rather than increase the tax rate.

The borrowing power was at 15 to 12 per cent. of the assessed value of real property. The council and its commissioners went the limit. The public debt of Montreal at present is \$120,000,000. The assessed value of real property is \$700,000,000. The finances of this great, wealthy city, the headquarters of railway, financial and industrial corporations in Canada, demanded attention. Something had to be done, and of a decisive character.

It is sometimes difficult for the legislative assemblies of Illinois and New York to find out just what the reformers of Chicago and New York cities really want. So it was in Montreal. Sir Lomer tried in vain to learn what the people of this city wanted. He decided to appoint a commission that would be responsible to the provincial government, selected his men, and set them at their task.

Since April, 1918, this body, known as the administrative commission, consisting of five members, has been a part of the municipal government, co-ordinate with the mayor and a council composed of the mayor and one alderman for each of the twenty wards into which the city is divided. The general administration of the city rests with the administrative commission, subject to certain restrictions.

Its resolutions, by-laws, and other acts are submitted to the city council in connection with annual and supplementary budgets; it has no authority over the variation of funds, appropriations of the proceeds of loans, taxes and licenses; it cannot alter by-laws, except those defining the attributes and duties of the municipal officials and employees; nor has it authority to grant franchises or privileges, or to make annexations. All other powers formerly vested in the mayor and aldermen are now held by the commission.

The city council may by a majority of three-fourths of its members reject or amend the commission's reports within 30 days of their receipt by the city clerk, or within 60 days in the case of a by-law; otherwise they are deemed to be adopted, notwithstanding any provision to the contrary in the charter or in any general or special act. The council cannot, however, in amending the reports of the commission on questions of finance, increase or apply to other purposes the appropriations recommended, nor add new ones. The approval of the municipal electors, when required by the city charter, still subsists.

After having this system of administration in effect for more than a year, there is a division of opinion as to its wisdom. Many supporters of good government believe that it gives a much better result than its predecessor. It is asserted that the administrative commission has considerably reduced the staff in various city departments, has made a general clean-up of the police and detective departments, and has reduced the divisions and sub-divisions of different branches of work, giving greater responsibility to the head of each department. Moreover the greatest advantage of the administration commission, it is claimed, will not show immediately; it is predicted that in a few years there will be a material reduction in the wire-pulling for political appointments, which will be made by the actual administrators on the basis of merit. Despite this prediction for the future, others who advocate the administrative commission look on it only as a temporary expedient whose strength lies in the fact that the Liberal party

in power in the province is so strong that it can put through its policies against ordinary opposition so long as they are honorable and business-like. But even many who indorse the course of the administrative commission are frank to say that from the viewpoint of democratic government its appointment is the hardest imaginable blow to democracy.

On the other hand there are many equally warm adherents of good government who are open and emphatic in their criticism of the commission, as to both its appointment and its policy. The fact that it is a non-elective, unrepresentative body is not their only objection. A second weakness, they allege, is the decision of the commission to hold its sessions behind closed doors. Apparently the commission has aggravated the feeling against it by not taking the public into its confidence, and while reasons may be adduced against public sessions, it is felt that at least the 20 aldermen who form part of the city government should be kept in close touch with the commission. Lacking this, the friction between the two bodies has resulted in deadlocks which have been detrimental to the city's interests.

There is also decided criticism because of the large increase in taxation made by the commission without materially improving the physical aspect of the city. The increased income has been absorbed by larger salary expenditures and increased cost of materials. This explanation is admitted to be sound, but the retort is made that the commission has inexcusably blundered in some of its reorganization schemes, notably the amalgamation of the police and fire departments, which resulted in an expensive strike, and the handling of the aqueduct improvements in a way that paralyzed Montreal for a time. Much criticism is also directed against the commission for not using the legal means in its power to prevent the operation of the new tramway franchise until this franchise was approved by the people or by their elected representatives. By those who criticise the commission it is claimed that the commission's improvements in administration are minor ones, not such as are demanded by the city's growth.

The honesty of the commissioners has not been questioned by any; but many citizens place greater emphasis on their own elective prerogatives. That this feeling is widespread and genuine seems evident by the pledge given by the provincial government, at the last election,

to modify the law as the people of the city desire. It seems now a matter of crystallizing this desire.



Illinois to Select State Depositories on Competitive Basis.—A substantial advance was made at the recent legislative session in Illinois by the passage of a bill providing for the selection of state depositories on the basis of competitive bids, for a full accounting for all interest-earnings on state funds, and for giving full publicity to all matters connected with the handling of state funds.

A glance at the very brief old law regarding the deposit of state moneys is sufficient to show the need of a more definite and complete statute, as a matter of common business prudence. That law requires only that the state treasurer "shall deposit all moneys received by him on account of the state within five days after receiving same in such banks in the cities of the state as in the opinion of the treasurer are secure and which shall pay the highest rate of interest for such deposits." Although the present law, which was enacted in 1908, through the efforts of Senator Morton D. Hull, was then an important gain for the public, it is by no means adequate to meet the needs of the situation and especially has failed to give necessary publicity to the handling of public funds.

Comparisons between the interest-earnings of the state and those of Cook county and Chicago, both of which select their depositories competitively, show that the county and city interest-earnings are substantially larger than those of the state in proportionate to the average deposit balances carried in banks. It was at the correction of this inequality that the new law was aimed.

The new statute is drawn upon the theory that the state treasurer shall designate all depositories and shall continue responsible for all moneys in the state treasury. In this respect it differs from the Cook county law and from the laws of other states, these laws in almost all cases providing for the selection of depositories by a board, relieving the state treasurer of liability. It was thought best to draw the bill on the theory that the treasurer shall act and shall remain liable, because of decisions of the supreme court of Illinois. Under the cases of *People ex rel Gullet V. McCullough*, 254 Ill. 9 (1912), and *Fergus v. Russell*, 270 Ill. 304, it seems necessary to leave the treasurer as custodian of state moneys. Under these decisions

it is clear that the legislature may regulate the functions of a constitutional officer, but that it may not withdraw such functions.

The new law provides that the state treasurer shall deposit all public moneys received by him, within five days after receiving them, in such banks as may be authorized to receive deposits under its terms, and that the interest on such deposits shall be the property of the state of Illinois. Adequate provision is made for inviting competitive bids for state deposits and for opening them publicly. The state treasurer is required to examine the last official statement of assets and liabilities of each bank bidding for deposits, and formally to approve or reject each proposal. His approval of a proposal does not confer any right upon a bank to receive deposits, and no moneys are to be deposited in any bank until approved securities are deposited with the state treasurer equal in market value to the amount of moneys deposited. Provision is made for two classes of depositories, active and inactive, and for obtaining separate bids on each class. The state treasurer must designate one or more active depositories, and money deposited in the inactive depositories shall be used only when that deposited in active depositories is insufficient. The law clearly states that "the making of a personal profit or emolument by the state treasurer out of any public moneys, by loaning, depositing, or otherwise using or disposing of the same in any manner whatsoever, shall be deemed a felony" punishable by imprisonment of from one to ten years.

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Oregon Has a New County-Budget-Making Plan.—A novel and significant step in the making of county budgets has been taken in Oregon, where a new law provides for the creation of a tax-supervising and conservation commission in each county having a population of 100,000 or more. The commission, consisting of three members appointed by the governor and serving without compensation, has advisory jurisdiction over all the county boards, school boards, common councils of municipalities, and all other municipal bodies authorized to levy a tax upon property within the county. The commission is required to keep careful record of all taxes levied, all indebtedness incurred by the county, and the cost of running all the varied governmental functions in the county. It may also inquire into the management, accounting, and systems of each department of the county, and make sug-

gestions tending to conserve the public money and increase the efficiency of departments.

The county commissioners and the tax-levying bodies are required to submit to the tax-supervising and conservation commission, by September 1, each year, their estimate of the annual budget deemed necessary for all county purposes for the fiscal year beginning on the first of the following January, this budget to show in succinct and plain language each particular item to be expended. After a full, public hearing the commission is to report back to the various tax-levying boards the result of its findings with respect to the expenditures proposed in the budget—without, however, increasing any of the estimates—and shall advise these bodies severally to levy a tax in accordance with its findings. These recommendations are to be advisory only, but in order that the taxpayers may be fully informed as to how the public moneys are expended, the commission is required to compile a complete and comprehensive report of the budgets presented to it, those recommended by it, and those finally adopted. Furthermore, the oath of office prescribed for the members of the commission requires each member to swear in part that he will endeavor to secure economical expenditure of public funds sufficient in amount to afford efficient and economical administration of government in the county for which he has been elected, and that he will perform said duty without fear, favor, or compulsion, and without hope of reward.

The intent of the law is plainly to create a central clearing house and financial laboratory—if so mixed a figure may be used—particularly to co-ordinate and harmonize the needs and taxing power of widely diversified county agencies, and through this system to promote efficiency and economy equally. The provisions of the law are promising, and its operation will be watched with interest from all parts of the country.

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Investigation of Administrative Agencies in Ohio.—A joint resolution passed at the last session of the Ohio legislature provides for a committee to investigate state departments, state boards, commissions and bureaus, for the purpose of determining whether greater efficiency and economy can be obtained by reorganization, combination and consolidation. The history of Ohio's development of administrative machinery coincides with that of all other states in respect

to the overlapping and conflict of various administrative agencies created from time to time as governmental functions have multiplied and become complicated. A joint legislative committee consisting of three senators and three representatives is to survey the situation and report recommendations for eliminating waste and increasing efficiency.

Don C. Sowers, formerly a member of the staff of the Dayton municipal research bureau and now secretary of the Akron bureau, has been appointed secretary of the committee. Gaylord C. Cummin, formerly city engineer of Dayton and later city manager of Grand Rapids and Jackson, Mich., but now of New York, and L. D. Upson, former director of the Dayton municipal research bureau, now of Detroit, will be called by the legislative committee for consultation. W. H. Allen, New York, is a third expert that has been summoned to assist in the investigation.

The committee has before it facts gathered by C. B. Galbreath, state librarian, showing what the effect has been in 21 states of the union where attempts have been made to simplify state governments.



Municipal Ownership for St. Louis Street Railways.—The St. Louis street railway situation is as quick-changing as a slap-bang "movie" picture. Shortly after the appointment of the receiver¹ the street railway men's union made a demand for a 60 per cent increase in wages and the eight-hour day. The state public service commission, chosen as arbitrator, granted the men practically all they desired, giving them a schedule of 50 cents an hour for the first three months, 55 cents for the following nine months, and 60 cents an hour maximum.

Receiver Wells thereupon asked for a ten-cent fare and the elimination of transfers. The commission's decision, handed down on September 10, granted an eight-cent fare, as expected, two tickets to be sold for 15 cents, and 50 tickets for \$3.50.

The civic league immediately announced that it had advisedly not appeared before the commission, because "the street railway problem has gotten beyond the state commission stage," and

in a public statement initiated a campaign for municipal ownership.

To attain municipal ownership, the league recommended: (1) The recapture of all the company's franchises at the earliest possible moment. It thought that a splendid opportunity was now offered, on the basis that the company's franchises were forfeited because of the granting of the increased fare, and the company's allegation that it could not run on the five-cent fare basis. (2) Elimination of the state public service commission's control of St. Louis utilities. Such control was objected to not merely because of the action of the present state body, but because the system itself was at fault. State commissions are too far aloof from the people. In addition the division of powers between city and state leads to deception on the people, the city officials blaming the state body for the results of their acts and the state body laying the fault at the door of the city. (3) Amendment of the state constitution to raise the municipal bonded indebtedness limitation for revenue-producing utilities and to allow cities to issue bonds on the utility property itself.

As the result of this report, the tenth ward improvement association immediately requested of the governor a special session of the legislature to consider elimination of the state public service commission control of St. Louis. It is not likely that the governor will grant this request. If he refuses to do so, the association states that it will seek to secure its object by initiative petition. The citizens' referendum league has also begun an initiative campaign for the purchase of the street railways by taxation, and for a free street car system. It is doubtful whether this movement will go very far.

It seems likely, however, that the suggestion made by the civic league will receive sufficient approval during the next two years to be adopted both by the City of St. Louis and the state legislature. In that event municipal ownership will be the sequel to the present receivership. In fact, Consulting City Engineer C. E. Smith has since announced his conversion to the municipal ownership idea in a letter to the Federal Electric Railway Commission, and to the elimination of state commission control.

LOUIS F. BUDENZ.

¹ See NATIONAL MUNICIPAL REVIEW, vol. viii, p. 412.

II. POLITICS

Proportional Representation Election in Scotland Refutes Arguments of Critics.—In the recent Scottish local elections proportional representation has been tried on a larger scale than probably ever before, and the election has been an undoubted success.

The election was held under a new act setting up education authorities for every county and for the "scheduled burghs"—Edinburgh, Glasgow, Leith, Dundee and Aberdeen—thus, except in urban areas, largely increasing the size of the districts by which the authorities are elected. Every burgh and nearly every county was subdivided into electoral areas or constituencies, returning, in some cases, as many as nine or ten, and in others as few as three members. Each county and borough had a separate returning officer, who was, as a rule, responsible for several constituencies and for the conduct of several elections. Without exception, according to the *London Times*, the returning officers found that the regulation for counting the votes, which certain members of the House of Commons denounced last year as a Chinese puzzle, worked with perfect smoothness.

The same authority states that although the returning officers and electors were all new to their work, there was nowhere any hitch. The returning officer for Glasgow counted in one day no fewer than 124,000 votes, spread over seven electoral divisions of the city, each of which had to have a separate count. A single constituency of 250,000 voters could easily have been counted in the same time. A similar story of clockwork efficiency was reported from every center.

The gloomy prophecies as to the number of spoiled papers that would result from the proportional representation plan of voting have been falsified by the result. The best record is, perhaps, that of Perth, where the local Rotary Club accepted as one of its privileges the task of instructing electors. The number of spoiled papers from all causes there was 69 out of a total of 6,054, or 1.1 per cent. In Glasgow there were 2,570 papers spoiled from all causes out of a total of 124,107, a little more than 2 per cent. In Edinburgh 486 out of 24,747, or, again, 2 per cent. In some places it was higher—for example, in Buthshire and in Sutherland nearly 3 per cent.

The results of the elections, as shown by the official "result sheets," on which the process of counting and transferring votes is recorded, also demonstrate the intelligent purpose with which preferences were marked. Preferences were not—as opponents of the system prophesied—marked at random. Electors marked the candidates of their own parties in the order of their preferences. Thus, in Glasgow, the Rev. Canon O'Brien (Catholic) had 4,112 surplus votes; of these, 4,029 went over to a second Catholic candidate, Quin. In the Clydebank Division of Dumbarton, Miss Rae, a Labor candidate, had 207 surplus votes; of these 191 went over to Frazer, another candidate of the same ticket. Moreover, where candidates were not standing as a group, or at best formed part of some very loose organization, the indication of reasoned purpose behind the expression of preferences was equally clear.

The elections established more than the efficiency of the electoral machinery of the single transferable vote; they also fulfilled the promise of fair representation to all parties. As an example we may examine one division of Glasgow—Govan, Tradeston and Pollok. There were nine seats, eighteen candidates, 25,572 valid votes, and the quota (the number which assured the election of a representative), was 2,558. The aggregate Catholic vote was 6,204, or two quotas and 1,008 votes; they secured two representatives. The Labor vote was 2,362, or a little less than a full quota. The Catholic surplus assisted this group and Labor succeeded in securing one representative. The Coöperators polled 1,418 votes, considerably less than a quota, and they failed to return a representative. The other nine candidates were either unorganized or loosely organized, and represented what may be called progressive middle and non-Catholic opinion. They polled 15,588 votes, or six quotas and 240 votes, and this group secured six representatives. The representation of those who voted could not possibly be more fair.

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Baltimore's Mayoralty Election.—The recent mayoralty election in Baltimore, Maryland, in which a democratic majority of 10,000 (established in the congressional election of 1918) was converted into a republican majority of 10,000, furnishes many interesting considerations to

students of the political situation. In any attempt to understand the result the spring primary must be taken as a background. Mayor Preston, democrat, who has held office since 1911, was again a candidate at the primary, but was defeated for his party's nomination by George W. Williams. Mayor Preston's defeat was brought about by a number of factors. First of all, he was opposed by the so-called "state crowd," by many persons whom he had offended, and by a large contingent in the newly annexed territory which resented his activity in bringing them into the city. Many voters were also influenced by the criticism against his administration of some of the schools, and against the salaries of teachers. In the opinion of many he had done all that could have been done in view of the war conditions; but some people found fault because he failed to build new schools, while he found a way to go ahead with the widening of St. Paul street and with radical changes in the layout of Mt. Vernon Square. Early in his first term he dismissed several excellent and eminent gentlemen from the school board because they would not remove the superintendent. Although he was re-elected since then (in 1915) by an unprecedented majority, many people took the present occasion to visit their punishment upon him for this dismissal, claiming that in 1915 they had to vote for him as the only escape from a more objectionable candidate. Another grievance grew out of his treatment of a former health commissioner who was generally believed to have earned Mayor Preston's disfavor because of an unwillingness to take orders.

George W. Williams, who defeated Mayor Preston for the democratic nomination, is an exceptionally well qualified man, standing high at the bar, and having a record for courage and unflinching fidelity to duty as a member and president of the park board. Considering his standing, the manner in which he won the nomination, and the democratic majority at the preceding congressional election, it is doubtful whether anyone can fully account for all of the influences leading to Mr. Williams' defeat. It seems probable that national issues, although not discussed in the campaign, were a considerable factor, and that William F. Broening, the successful republican candidate won many democratic votes because of widespread dissatisfaction with the national administration. In addition to this, it is contended that Mr. Wil-

liams was both "knifed" and "traded" by the "city ring," and that everyone knew he would be. Hand in hand with this is the probability that Mr. Williams lost favor with the independent or "anti-ring" votes because he was believed to be supported by the "state ring." These apparently were the major reasons for his defeat. Beyond this an analysis of causes is unsatisfactory. It is worthy of note, however, that in both the mayoralty election and the democratic primary the defeat of the vanquished seems more significant than the success of the victor.



Politics and Education Again Clash in Chicago.—The involved status of the Chicago board of education has been further complicated by recent events and is now awaiting adjudication by the courts. Simultaneously with the ousting of the 11-member board in October, 1918, by judicial order,¹ the old 21-member board was placed in control of the school system until such time as the mayor and city council might agree on the personnel of the smaller board provided for by the law of 1917. With this change the superintendent of schools appointed by the ousted board resigned his office. The old board, heeding the suggestion of five civic organizations of the city, appointed a commission of citizens charged with finding the candidate or candidates available and best qualified to fill the position. Last March, upon the unanimous indorsement of this commission, Dr. Charles E. Chadsey, of Detroit, was elected superintendent at a yearly salary of \$18,000.

Two months after his re-election in April, Mayor Thompson submitted a new set of nominees for the 11-member board to the city council, which for four years has been the stronghold of good government in Chicago and had on three separate occasions refused to concur in the appointment of school trustees selected by the mayor. On this occasion, however, 81 Sullivan democrats, with a few independents, joined the Thompson republicans in delivering the city council to the mayor by confirming the mayor's appointees, and establishing the new board in the control of what is known as the "solid six," with the five other members of like sympathies. As was to be expected, the new board displaced Dr. Chadsey at its first meeting, appointing Peter A. Mortenson, of Chicago, in his place.

These deplorable developments, however,

¹ See NATIONAL MUNICIPAL REVIEW, vol. viii, p. 196.

are not final. The state's attorney has brought court action to challenge the qualifications of the members of the new board, alleging that two of them are holding office for terms in which no vacancies existed, and that the other nine

are holding office for terms which exist neither in fact nor in law. Likewise it is alleged that Mr. Mortenson is not entitled to the office of superintendent as no vacancy existed when he was elected.

III. JUDICIAL DECISIONS

Zoning.—Where the city of Columbus, Ohio, had passed an ordinance forbidding filling stations in residential districts without the consent of two-thirds of the property owners nearby, it was held in *State v. Dauben*¹ not necessary for the owner of such a station to get such consent for the purpose of impairing, remodeling, or rebuilding a filling station. The building inspector who in this case had refused to issue a permit was ordered to do so. The effect of the ordinance was held to be prospective and specifically to except stations already in existence.

A Los Angeles residence-district ordinance, providing that in order to establish an industrial district within a residence district it is necessary to get a petition signed by property owners, was held to be constitutional and to apply to laundries in the case of *Sam Kee v. Wilde*.² The upper court reversed the lower in this case without much discussion, simply citing decisions of the California and United States courts.

In another California districting decision, the case of *Boyd v. the City of Sierra Madre*,³ it was held that a municipality had power by ordinance to divide its territorial limits into business and residence districts, and to prohibit in the residence districts the maintenance of any corrals wherein mules and burros are kept for hire, the keeping of such corrals in a populous city being a nuisance. This ordinance also forbade such corrals in the business district without a permit from the city board of trustees. This feature of the ordinance was also approved by the court.

Heavy Loads.—One Froelich was found guilty of violating an ordinance prohibiting loads in excess of ten tons being driven over the streets of Cleveland without the permission, under specified circumstances, of the director of public service. It was contended on appeal that the city ordinance was invalid and void for

the reason that it was a local police regulation in conflict with general laws and, therefore, repugnant to section 3, article 18, of the constitution, which reads: "Municipalities shall have authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations, as are not in conflict with general laws." The court held in *Froelich v. City of Cleveland*⁴ that the city had the power to pass such an ordinance, not by grant of the legislature, but under express authority of the people of the state given in the constitution. The majority opinion distinguished this case from that of *Cleveland Telephone Co. v. Cleveland*⁵ in which it was decided that Cleveland did not have the power to fix its own telephone rates. Judge Wanamaker who dissented in the telephone case, agreed with the majority opinion in this case except for what they had to say about the Cleveland telephone case. Judge Jones dissented vigorously on the ground that a state law already permitted motor trucks weighing twelve tons to be operated over public streets and highways within the state, and maintained that as the state had legislated on the subject the city had no power to do so.

Traffic.—St. Louis enacted an ordinance providing that "drivers must at all times comply with any direction by voice or hand of any member of the police force as to stopping, starting or departing from any place." In the case of *City of St. Louis v. Allen*⁶ a chauffeur brought the wife of his employer down town in an automobile, and kept the machine standing in front of a large office building where there was a sign, "Don't stand between these posts." After remaining there for some 15 or 20 minutes he was requested by the elevator operator of the building to move on. Failing to comply with this request, a policeman gave similar orders,

¹ 124 N. E. 233.

² 183 Pacific 164.

³ 183 Pacific 230.

⁴ 124 N. E. 212.

⁵ 121 N. E. 701.

⁶ 204 S. W. 1083.

and defendant told him that he would remain where he was until the return of the lady for whom he was waiting. He was thereupon arrested and convicted of violating the ordinance. This conviction was affirmed by an intermediate court, and the case finally carried to the supreme court of Missouri, which reversed the lower court, indicating that in this instance the city authorities may have been morally right and the defendant in the wrong, but said, "The ordinance here involved puts the citizen in the arbitrary power of the officer, regardless of the circumstances of the case. Its invalidity is so glaring that the respondent has not cited any authority to uphold it."



Civil Service.—The New York supreme court of Bronx county, decided in *O'Reilly v. Lewis*¹ that where a certain man was the only one certified by the municipal service commission as eligible for appointment as warden of a farm belonging to the city of New York, he was not by that fact entitled to the appointment, and the fact that the commissioner of correction persuaded him to decline the appointment would not make the appointment of another candidate from a subsequent certified list of three in violation of the civil service law.

Another civil service decision of the same court in the case of *People v. Hogeboom*² was that under the statute of 1919, chapter 476, relating to the police department of the city of Mt. Vernon, the appointment of police sergeants from the rank of patrolman is at the pleasure of the police commissioner, so as to free such appointees from the civil service provisions of the constitution, statutes and rules of the civil service authorities of the city.



Sunday Sports.—An ancient Sunday law passed April 22, 1794, came up recently for interpretation in common pleas court No. 5 in Philadelphia. An injunction was sought against the mayor and park commissioners to compel them to rescind a resolution of the commissioners which directed their chief engineer to permit the orderly playing of all outdoor games in Fairmont Park on Sundays under the same regulations as on all other days, and to prohibit them from licensing or permitting any outdoor games in the park on the Sabbath. In construing this

old law, passed 125 years ago, the court felt that changed conditions within the community, the general opinion of the public with regard to the act, the broad sympathy entertained by many with those principles which recognize that the law is the subject of growth and its enforcement determined by the social needs of the community, must be considered. The court commented upon the fact that so many men called for military service were found to be suffering from physical defects due in a large measure to lack of proper outdoor exercise. It commented also on the great part that games and sports on Sunday afternoons had had in keeping up the morale of the men in the military camps and that it in no way interfered with religious instruction. The prayer for the injunction was consequently refused.



Woman Suffrage.—In the case of *Vertrees v. State Board of Elections*³ the supreme court of Tennessee denied an injunction against the operation of the woman suffrage law. The principal objection urged against the law was that it was permitting women to vote without the payment of a poll tax such as the men had to pay. The court held that this act did not discriminate against the men because the act has nothing to say about such a poll tax. The legislature had simply failed to pass such an act imposing a poll tax on women. The court also decided that in so far as the act permits women to vote after six months in a county, it does not repeal the Nashville charter requiring six months residence in the city and, therefore, does not discriminate in favor of the women by allowing them to vote after a shorter residence than is required of male voters.



Franchise Rates.—The city of Memphis asked for an injunction against the railroad commission to prevent them from hearing a petition of the street railway company to increase their fare above five cents. The basis of the bill was that chapter 49 of the acts of 1919 was unconstitutional and void. In the case of the *City of Memphis v. Enloe*⁴ the supreme court of Tennessee disposed of the objections seriatim, holding that the act was not invalid because it embraced more than one subject, that it did not make an arbitrary and illegal classification, the city not being entitled to complain against such

¹ 173 N. Y. Sup. 214.

² 173 N. Y. Sup. 417.

³ 214 S. W. 737.

⁴ 214 S. W. 71.

classification, that the provisions requiring a depreciation account and the permission of the commission for the right to issue stock is not an arbitrary classification or discriminatory, and that the act extending the power of the commission to fix rates previously fixed by ordinance is not invalid as impairing the obligation of a contract.

The supreme court of South Dakota in the case of *Watertown v. Watertown Light & Power Co.*¹ held that while the city council cannot bind its successors in the exercise of the police power, it can when properly authorized make a contract for the rendering of public service by corporations in which the rates to be charged are fixed, which contract is no more subject to impairment than the contract of individuals. Under a franchise granting an electric light company the right to charge a maximum rate for electricity or a less rate and requiring it to furnish service under reasonable regulations to be approved by the city council, the electric light company could

¹ 173 N. W. 739.

change its schedule of rates without the consent of the city council so long as it did not exceed the prescribed maximum.



Contamination of Water Supply.—The rule that when there are several possible causes of injury, the plaintiff must prove that his injury was sustained by a cause for which the defendant is responsible, is complied with where such fact is shown with reasonable certainty. In *Stubbs v. Rochester*² the New York court of appeals held that evidence that a city water supply was badly contaminated, that there was an increase in typhoid cases during such period, there being medical opinion that plaintiff's attack of typhoid was due to such contamination, held to make a jury question whether plaintiff contracted typhoid through drinking contaminated water instead of through some other possible cause.

ROBERT E. TRACY.

² 124 N. E. 137.

IV. MISCELLANEOUS

Motion Pictures to Advertise Omaha.—The Omaha chamber of commerce has projected a novel kind of motion pictures to advertise its city. Instead of the stereotyped city-advertising films that lack human interest and have little more than a local appeal, a picture drama has been worked out in which the story of Omaha is interwoven with a story of love and adventure, entitled "When East Meets West." The picture begins with a Missouri river scene showing the explorers Lewis and Clark turning their canoe toward the shore to camp for the night in 1804 on the present site of Omaha. Powwows and Indian dances follow.

In 1919 there comes another explorer, a young aviator, out from New York to visit the Red Cross girl he met in France. She takes him about to show him the town. They visit the great transcontinental railroad yards and the acres of stockyards. They spin over beautiful boulevards, through blooming parks, and, at a slower rate, down busy commercial streets. The young aviator wants to see Omaha industries and something of the country beyond the city limits. It turns out he chose a fortunate time to "go West, young man," for Ak-Sar-Ben, Omaha's carnival, is on. He invites the girl to

an airplane ride, and thus views what the city looks like from the clouds. In the end, he decides he likes the town as well as the girl—and stays with both.

It is stated that society women and leading business men of Omaha will play rôles in this picture drama and that the film will be shown on a wide national scale. There is nothing essentially different between this projection and many straight picture dramas, such as those in which the cowboy hero visits Broadway, except that the thing is done deliberately for advertising purposes. With proper skill the idea may be used effectively for advertising municipalities through the medium of motion pictures.



The New York City Club has elected Raymond V. Ingersoll its secretary in place of Richard V. Harrison, who has resigned. Mr. Ingersoll comes to the office well equipped for the work, as he has served as a city magistrate and superintendent of public parks, as well as abroad in the Y. M. C. A. during the war. He has been affiliated as an officer and a member of important committees of many civic organizations and is now the treasurer of the National Municipal League.

SUPPLEMENT TO THE

National Municipal Review

Vol. VIII, No. 9

November, 1919

Total No. 41

Administrative Consolidation in State Governments

BY

A. E. BUCK

New York Bureau of Municipal Research

Illinois, in 1917, consolidated over one hundred state offices, boards and bureaus into nine departments under directors chosen by the Governor, with promising results. Idaho and Nebraska followed in 1919. Massachusetts has adopted a defective plan. Delaware and New York are considering good proposals.

PUBLISHED BY THE

NATIONAL MUNICIPAL LEAGUE

RAILROAD SQUARE, CONCORD, N. H.

EDITORIAL OFFICE, NORTH AMERICAN BUILDING
PHILADELPHIA, PA.

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ADMINISTRATIVE CONSOLIDATION IN STATE GOVERNMENTS¹

BY A. E. BUCK

I—INTRODUCTION

What Administrative Consolidation Is

Already the term "administrative consolidation," as applied to state governments, has come to have a very definite meaning. It is, in brief, the reorganization of the several offices and agencies concerned with the administration of the state's affairs into a few co-ordinate departments with heads appointed by the governor and responsible to him. Integration of the administration is thus brought about; useless and obsolete offices and agencies are abolished, and related functions are grouped under the same departmental management. Responsibility for the administration is fixed,—the governor and his few department heads are placed in the limelight of public opinion. The effective operation of an executive budget system becomes possible, since the governor is no longer hampered in the formulation and execution of the financial plan by numerous and independent administrative officers and agencies.

Administrative Consolidation Not a New Idea in American Government

Administrative consolidation is not a new idea in the government of this country, even though it is but just beginning to be applied to state governments and to county governments

¹A more detailed treatment of the subject by the writer of this article appears in a "Report on Retrenchment and Reorganization in the State Government," recently published by the New York State Reconstruction Commission.

practically not at all. More than a century ago our national administration was organized into a few departments largely upon the basis of a co-ordinate grouping of the functions to be performed. Since then other departments have been added from time to time as new fields of work have developed until the present number is ten. These ten departments perform practically all the regular administrative functions of the national government. Recently, however, a few quasi-legislative functions, as the regulation of interstate commerce, have been vested in special boards or commissions, but usually any new administrative work is placed under one of the existing departments. The department heads are appointed by the president with the approval of the senate and serve at the president's pleasure. In practice the senate's approval is merely a matter of form, and the president is as free in the choice as in the removal of the department heads. Collectively the department heads form the president's cabinet which meets with him for the discussion of matters relating to the administration.

During the last twenty years municipal administration has been organized and reorganized along the lines of consolidation. Up to the present time about four hundred cities have adopted the commission form of government, the essential feature of which from the standpoint of administrative organization is the grouping of all offices and agencies of the city under a few departments, usually five, each under the

control of a single commissioner. Out of the commission form of city government has been evolved very recently the city manager plan in which the commission becomes mainly a legislative body and chooses the manager who exercises supervisory control over the whole city administration organized into a few departments. More than one hundred and thirty cities have already adopted the city manager form of government.

Consolidation Movement in State Governments

The movement for the reorganization and consolidation of state administration began about ten years ago. In 1909, and again in 1911, the People's Power League of Oregon proposed a plan for the reorganization of the state government, which was designed to centralize administrative authority in the governor. Its proposals, however, were never adopted.

The New Jersey legislature of 1912 created a "commission on the reorganization and consolidation of different departments of the state government whose functions are interrelated." The recommendations of this commission did not cover the entire field of administration, but were confined mainly to the setting up of certain consolidated departments. The plan of partial consolidation proposed by the commission was largely adopted by the 1915 legislature, which provided for the establishment of departments of conservation and development, commerce and navigation, taxes and assessments, and shell fisheries. The 1916 legislature provided for the reorganization of the departments of labor and agriculture, and the 1918 legislature created a department of charities and corrections (institutions and agencies) under which are grouped all the charitable and penal institutions of the state.

The first comprehensive plans of administrative consolidation to be proposed were those of Minnesota and Iowa¹. In 1913 the governor of Minnesota appointed a commission, and the legislature of Iowa created a committee, both of which conducted studies of the administration of their respective states. The Minnesota commission with the assistance of Dr. E. Dana Durand, former director of the United States Census, published in 1914 two reports in which recommendations were made for administrative consolidation and the adoption of a budget system. In the matter of administrative reorganization the commission pointed out that the main defects of the existing system were multiplicity of independent branches, diversity of form, and predominance of the board system. The commission in its first report recommended the establishment of six departments, namely, finance, public domain, public welfare, education, labor and commerce and agriculture. Its second report eliminated the department of finance. A few functions, such as those of the civil service commission and the tax commission, were not included in the proposed departments. The reorganization did not affect the constitutional offices. All the proposed departments, except finance and education, were to have single heads appointed by the governor. The department of finance was to be headed by the treasurer, a constitutional elective officer, and the department of education by a director appointed by a board in turn appointed by the governor. The several department heads were to hold office at the pleasure of the governor and were to form the governor's cabinet, similar to the cabinet of the president. The

¹ Moley, R., "The State Movement for Efficiency and Economy," *Municipal Research*, No. 90.

commission recommended that advisory boards, the members of which were to be appointed by the governor with overlapping terms, be attached to the departments of public domain, welfare and agriculture. While the work of this commission failed to accomplish anything for Minnesota other than probably the passage of a state budget law in 1915, it has been of value because of its influence upon subsequent consolidation plans.

The Iowa committee engaged Quail, Parker and Company, a firm of efficiency engineers, to make a survey of the state administration. The final report of this firm was submitted to the committee late in 1913. This report proposed the establishment of seven departments: agriculture, commerce and industries, public works, public health, public safety, education, and charities and corrections. The governor was to be the head of the department of public safety, and the heads of the remaining departments were to be appointed by the governor with the approval of the senate. There was recommended in addition to these departments a department of finance in which would be united the offices of auditor and treasurer, also a legal department constituted by a union of the offices of secretary of state and attorney general. However, the constitutional status of these officers was not to be changed. Almost a year after this report was submitted to the committee, it in turn prepared a report for the 1915 legislature. The committee's report provided for the grouping of practically all of the administrative functions of the state into three departments designated as social progress, industries, and public safety. The distribution of functions among these departments was somewhat arbitrary and the agencies performing them were in most instances independent of each

other. Each department was to be under the control of a single head appointed by the governor. No legislation resulted from the recommendations of either report.

New York was the next state to consider seriously the subject of administrative consolidation. A detailed study of the existing organization of the state was made by the department of efficiency and economy in co-operation with the New York Bureau of Municipal Research preparatory for the work of the constitutional convention of 1915. The results of this study were published early in 1915 in a volume entitled "Government of the State of New York: A Survey of Its Organization and Functions." Later the New York Bureau of Municipal Research was requested by the constitutional convention commission to prepare an appraisal of the existing organization of the state government. Accordingly, a volume was issued by the Bureau entitled "The Constitution and Government of the State of New York"¹ in which the structure and methods of the state government were analyzed. Upon the basis of these reports and other information the convention finally adopted a plan of administrative organization providing for the creation of seventeen departments to perform the administrative functions scattered among more than one hundred and sixty existing offices, boards and agencies. These departments were law, finance, accounts, treasury, taxation, state, public works, health, agriculture, charities and corrections, banking, insurance, labor and industry, education, public utilities, conservation, and civil service. The comptroller and the attorney general, both elected for the same term as the governor, were to be

¹ *Municipal Research*, No. 61.

the heads of the departments of finance and law, respectively. The department of labor and industry was to be headed by an industrial commission or a commissioner, as provided by law, in either case appointed by the governor with the approval of the senate. The department of public utilities was to consist of two commissions, the commissioners to be appointed by the governor with the approval of the senate. The chief administrative officer of the department of education was to be appointed by the regents of the state university. The department of conservation was to be under the control of a commission of nine members appointed by the governor with the approval of the senate for overlapping terms of nine years and serving without compensation. This commission in turn was to appoint the executive head of the department. The department of civil service was to be headed by a commission of three members appointed by the governor with the senate's approval for overlapping terms of six years. The remaining ten departments were to have single heads appointed by the governor and serving at his pleasure. After the adoption of this plan of organization all new administrative functions were to be assigned to one of the existing departments, and no new departments were to be created by the legislature. The plan reduced the number of elective constitutional officers from seven to four, leaving only the governor, lieutenant governor, comptroller and attorney general elective. The proposed constitution, containing this plan of administrative reorganization, was submitted to the people of the state in November, 1915, and was defeated. Until the present year, when the state reconstruction commission began its work, there has been

little attempt to revive the movement for administrative reorganization and consolidation. The work of this commission will be taken up later.

The first comprehensive plan of administrative consolidation was adopted by Illinois in 1917 after a careful survey had been made of all the state's administrative agencies. In 1919 Idaho and Nebraska adopted consolidation plans similar to that of Illinois. An amendment to the Massachusetts constitution ratified in November 1918 provided for the reorganization and consolidation of the administrative agencies of the state into not more than twenty departments which were to be constituted by statute. The 1919 legislature recently enacted a law which will put this amendment into operation on December 1, 1919. The consolidation plan of each of these four states will be discussed at some length in subsequent parts of this article.

In Oregon, Delaware and California plans for administrative consolidation have been recently proposed for the consideration of the legislatures. These plans, as well as that recently proposed for New York, will be considered in the latter part of this article.

The interest other states have recently manifested in the subject of administrative consolidation clearly indicates a rapid spreading of the movement. The 1919 legislature of Ohio authorized the appointment of a joint committee to conduct investigations and to prepare a plan of administrative consolidation for consideration by the next legislature. The governors of a number of states, notably those of Indiana, Vermont, North Carolina, Michigan, Minnesota, Nevada and North Dakota, recommended the consolidation of administrative agencies to their 1919 legislatures.

II—CONSOLIDATION PLAN OF ILLINOIS

Survey of the State Administration

By an authorization of the 1913 legislature of Illinois a committee on efficiency and economy was appointed, consisting of four members from each house of the legislature. This committee was given the power to investigate the work of the administrative agencies of the state government with a view to recommending consolidation. An appropriation of forty thousand dollars was made for the employment of investigators and assistants. In the summer of 1913 the committee organized a staff under the direction of Professor John A. Fairlie of the University of Illinois. As a result of the investigations conducted by the staff and the hearings held by the committee two reports were issued,—one a preliminary report in the summer of 1914 and the other a general report almost a year later. The last report, a volume of more than a thousand pages, contained the recommendations of the committee and the reports of the staff investigators. Among the defects of the existing administrative arrangement as pointed out by this report were lack of correlation, scattered offices, no standards of compensation, overlapping of functions, ineffective supervision, no budget system, and irresponsible government.

Recommendations for Consolidation by Committee

The committee on efficiency and economy in its final report recommended the consolidation of practically all the administrative agencies, except the secretary of state, civil service commission, board of elections and legislative reference bureau, into ten departments: finance, charities and correction, education, public works and buildings, trade and commerce, agriculture, public health, labor and min-

ing, law, and military affairs. The departments of finance, charities and corrections, trade and commerce, public works and buildings, and education were to be under the direction of commissions.

The departments of agriculture, labor and mining, and public health were to be under the control of single heads appointed by the governor with the senate's approval. The attorney general, a constitutional officer, was to head the department of law. The department of military affairs was to continue as already organized. No action was taken upon the recommendations of the committee by the 1915 legislature.

Governor Lowden's Rôle in the Reorganization

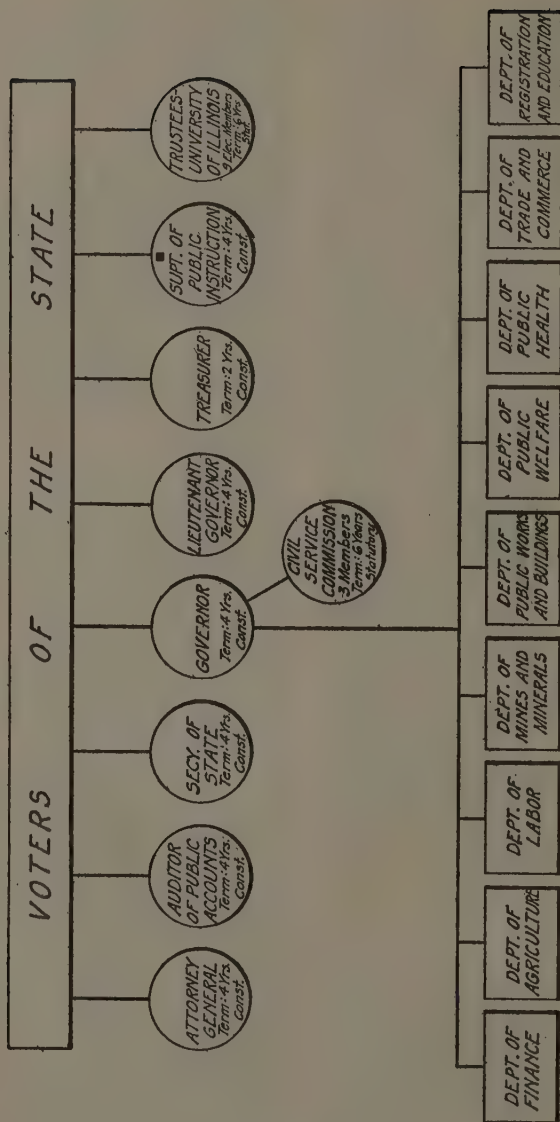
Both in his primary campaign during the summer of 1916 and in his inaugural message Governor Lowden urged the establishment of a budget system and the adoption of a plan of administrative consolidation. Immediately after his inauguration work was begun upon the drafting of a plan of consolidation, using the reports of the efficiency and economy commission as a basis; however, "the specific form of organization recommended by the committee was, after mature deliberation, rejected as not conducive to either strength, harmony or unity of administration." Apparently, the committee had not been consistent in its recommendations for the overhead organization of the proposed departments: some were to be administered by single heads, others by boards. For example the proposed department of finance was to be under a state finance commission, consisting of a state comptroller, tax commissioner and revenue commissioner, appointed by the governor with the senate's approval, and the auditor of public accounts and state

ILLINOIS

ORGANIZATION OF STATE ADMINISTRATION

UNDER THE CIVIL ADMINISTRATIVE CODE OF 1917

AS AMENDED IN 1919



Departments created under the Civil Administrative Code are indicated by squares.
Adjutant General and a few minor and temporary agencies have been omitted from this chart.

■ Ex officio member of Board of Trustees, University of Illinois.

treasurer, both constitutional elective officers. The work of the department was to be divided among members of the commission. No responsible head would have control of all the activities of the department. Governor Lowden, therefore, came to the conclusion that while most of the general recommendations of the committee were good and ought to be followed, its specific recommendations for the overhead organization of the departments were not only "inexpedient, but detrimental to administrative efficiency." It was his desire that the reorganization should follow a consistent and uniform plan, which might later be made to include the constitutional administrative officers, since it was deemed inexpedient at that time to attempt a change in the constitution. Accordingly, an act, called the "civil administrative code of Illinois," was drafted and passed the 1917 legislature.

Organization Under the Civil Administrative Code

The civil administrative code abolished more than one hundred statutory offices, departments, boards and agencies and consolidated their functions under nine departments, namely, finance, agriculture, labor, mines and minerals, public works, public welfare, public health, trade and commerce, and registration and education. These departments do not include the functions of the constitutional officers, the trustees of the University of Illinois, the civil service commission and several minor and temporary administrative agencies. The elective state board of equalization was not at first included, but it has since been abolished by the 1919 legislature and its functions placed in the department of finance.

Each of the departments has a single head, called a director, appointed by the governor with the approval of the

senate for a term of four years (same as that of the governor), beginning in January following the governor's election. The directors receive an annual salary varying from \$5,000 to \$7,000. Some of the directors are required to have special technical or professional qualifications. Forty-one subordinate offices are created and attached to the several departments, the annual salaries of these ranging from \$3,000 to \$5,000. While the manner of appointment of these officers is the same as that of the directors, they are nevertheless under the control of the heads of their respective departments. Each department is empowered to appoint its employees subject to the civil service regulations of the state.

Wherever quasi-legislative or quasi-judicial functions are included in the work of the code departments, boards have been provided to perform such functions. These include an industrial commission in the department of labor, a mining board and a miner's examining board in the department of mines and minerals, a tax commission in the department of finance, a public utilities commission in the department of trade and commerce, a normal school board in the department of registration and education, and a food standards commission in the department of agriculture. The members of these boards are appointed by the governor with the approval of the senate. All serve for a term of four years, except the members of the tax commission and the normal school board, which are appointed for overlapping terms of six years. The members of most of these boards are salaried, the maximum annual salary being \$7,000 in the case of the public utilities commission. Each of these boards acts as an entity. While the director of mines and minerals is a member of the mining board and the director of registration and education

is a member of the normal school board, each board, nevertheless, exercises its functions without any supervision or control by the director of the department to which it is attached. Each board is, however, not only a component part of the department to which it belongs, but is under the general system of finance and budget to which all officers named in the code are subjected.

In determining questions of policy advisory boards have been provided to assist and advise the directors of the departments and the governor. There is a board of agricultural advisors in the department of agriculture, a board of Illinois free employment office advisors and a board of local Illinois free employment office advisors in the department of labor, a board of art advisors, a board of water resource advisors, a board of highway advisors and a board of parks and buildings advisors in the department of public works, a board of welfare commissioners in the department of public welfare, a board of public health advisors in the department of public health, and a board of natural resources and conservation advisors in the department of registration and education. The members of these advisory boards receive no compensation. In some instances they are required to have specific qualifications.

The department of finance is regarded as being not only the most important of the code departments, but as having practically a new field of work. Outside of the functions of the governor's auditor and the compilation of budget estimates by the legislative reference bureau it took over no work performed by previously existing administrative agencies. Briefly, the functions of this department are to examine the accuracy and legality of accounts and expenditures of other

code departments; to prescribe and install a uniform system of accounting and reporting; to examine, approve or disapprove all bills, vouchers and claims against the other departments; to prepare the budget for submission to the governor; and to formulate plans for better co-ordination of the work of the departments. Under the finance code, enacted by the 1919 legislature, the powers of this department are extended in a large measure over the non-code departments and agencies. Through his power to alter the estimates in the preparation of the budget, the director of finance next to the governor becomes the most powerful officer in the code administration. The subordinate officers of this department, as specified in the code, are the assistant director of finance, administrative auditor, superintendent of budget and superintendent of department reports.

All agricultural and related activities, as well as food inspection, are included under the department of agriculture. This department promotes horticulture, live stock industry, dairying, poultry raising, bee keeping, forestry, fishing and wool production. It gathers and disseminates knowledge pertaining to agricultural interests. The inspection of commercial fertilizers and the conduct of state fairs are under its control. Under the director of agriculture there is an assistant director, general manager of the state fair, superintendent of foods and dairies, superintendent of animal industry, superintendent of plant industry, chief veterinarian and chief game and fish warden.

The functions relating to the regulation of labor, the promotion of the welfare of wage earners and the improvement of working conditions are performed by the department of labor. This department collects, systematizes

and reports information concerning labor and employment conditions throughout the state. The subordinate officers of the department, besides an assistant director, are a chief factory inspector, a superintendent of free employment offices, and a chief inspector of private employment agencies. The industrial commission under this department administers the laws pertaining to arbitration and conciliation.

The department of mines and minerals controls the inspection of mines, the examination of persons working in mines, and the fire fighting and mine rescue stations. Attached to the department are the mining board, consisting of four members and the director of the department, and the miners' examining board, composed of four members.

The department of public works and buildings, next to the department of finance, is probably the most important. It has control over the construction of highways and canals, supervision of waterways, erection of public buildings and monuments, upkeep of parks and places of interest, and purchase of supplies for the departments and charitable and penal institutions. The purchasing division of the department amounts practically to a central purchasing agency for the code departments. Leases are made for the several departments by this department. Besides the assistant director of the department there is a chief highway engineer, a supervising architect, a supervising engineer, and five superintendents, namely, of highways, waterways, printing, purchases and supplies, and parks.

The department of public welfare has jurisdiction over all charitable, penal and reformatory institutions of the state. It also performs the functions of the board of pardons. The depart-

ment has an alienist, criminologist, fiscal supervisor, superintendent of charities, superintendent of prisons and superintendent of pardons and paroles.

The department of public health exercises general functions relating to health and sanitation except the examination and registration of physicians, and embalmers. It maintains chemical, bacteriological and biological laboratories, and distributes antitoxines, vaccines and prophylactics for the prevention and treatment of communicable diseases.

The department of trade and commerce has charge of the regulation of insurance, grain inspection, inspection of railway safety appliances, fire inspection, and the regulation of weights and measures. The public utilities commission operates under this department.

The principal work of the department of registration and education is the examination of applicants for state licenses in the trades and professions. In conducting such examinations the department has the assistance of ten examining boards, one for each trade or profession, the members of which are appointed by the director. The administration of the state normal schools is placed in this department under the direction of the normal school board. The department acts as an investigating agency for a number of the other departments.

Operation of the Consolidation Plan

In his message to the 1919 legislature Governor Lowden said concerning the operation of the Illinois consolidation plan:

"The civil administrative code went into effect on July 1, 1917. It amounted to a revolution in government. Under it a reorganization of more than one hundred and twenty-five boards, commissions and independent agencies was affected. Nine departments, with extensive and

real power vested in each head have taken the place of those bodies, which were abolished, and discharged, under the general supervision of the governor, the details of government for which the governor is responsible. At the time the bill was up for consideration it was claimed that it would result in both efficiency and economy.

"It has more than justified all the expectations that were formed concerning it. The functions of the government are discharged at the capitol. The governor is in daily contact with his administration in all its activities. Unity and harmony of administration have been attained, and vigor and energy of administration enhanced.

"It seems to me almost providential that it should have been enacted into law before war actually came. A large number of the state's most expert officials and employees were drawn upon by the government at Washington because of the exigencies of the war. The same difficulties arose in the conduct of public business, which vexed private business so much. There was necessarily much confusion. The cost of all supplies rose rapidly. Unless the more than one hundred scattered agencies, which had existed heretofore, had been welded by the civil administrative code into a compact and co-ordinate government, anything like efficient state government, during these difficult times, would have been impossible. Illinois, through the greater elasticity and efficiency of her new form of government, was able to meet every emergency of the war without an extraordinary session of her legislature."

III—THE IDAHO CONSOLIDATION PLAN

Passage of the Administration Consolidation Act

Without a preliminary survey but with the backing of Governor Davis, the 1919 legislature of Idaho passed as an emergency measure under the constitution an "administration consolidation act," which went into effect on March 31. This act abolished some forty-six offices, boards and commissions and consolidated their functions into nine departments. The state administration in so far as it is not definitely prescribed by the con-

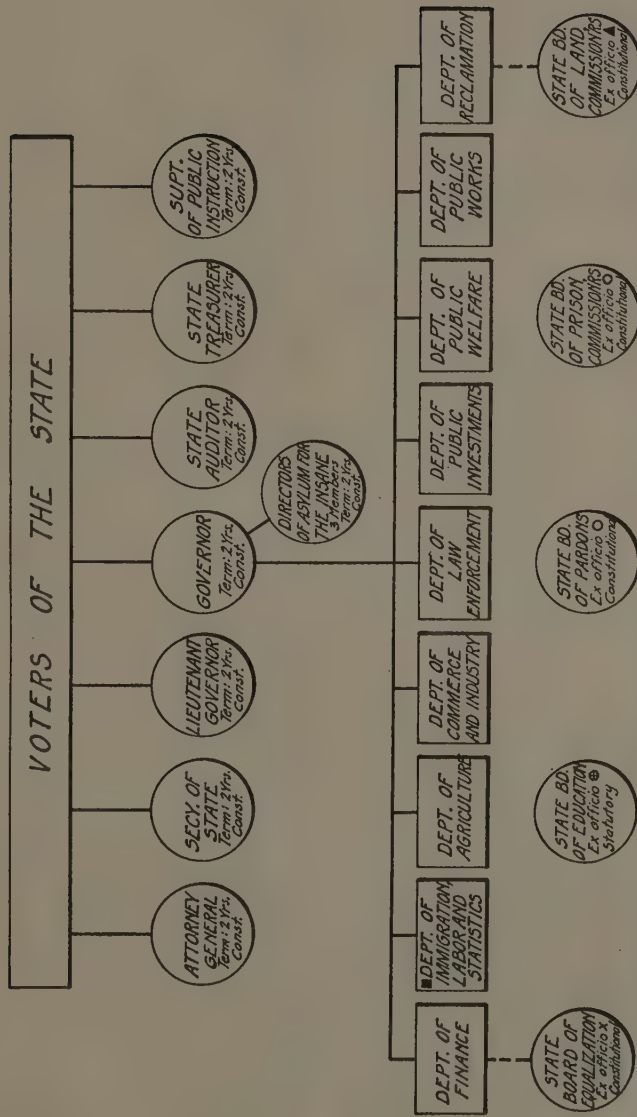
stitution was completely reorganized. The state board of education is the only previously existing statutory board that continues.

The purpose and scope of the consolidation act are indicated by section 1, which says: "The supreme executive power of the state is vested by the constitution . . . in the governor, who is expressly charged with the duty of seeing that the laws are faithfully executed. In order that he may exercise the portion of the authority so vested and in addition to the powers now conferred upon him by law, civil administrative departments are hereby created, through the instrumentality of which the governor is authorized to exercise the functions in this chapter assigned to each department respectively."

Organization under the Act

The departments created by the administration consolidation act are as follows: agriculture; commerce and industry; finance; immigration, labor and statistics; law enforcement; public investments; public welfare; public works; and reclamation. Each department has a single head called a commissioner. These commissioners, except the commissioner of immigration, labor and statistics, are appointed by the governor and may be removed by him at his pleasure. The commissioner of immigration, labor and statistics, who acts as head of the department of immigration, labor and statistics, is a constitutional officer appointed by the governor with the approval of the senate for a term of two years. Certain experience qualifications are prescribed for some of the department heads as well as their subordinate officers. Each commissioner receives an annual salary of \$3,600. The commissioners with the approval of the governor fix all

IDAHO ORGANIZATION OF STATE ADMINISTRATION UNDER THE ADMINISTRATION CONSOLIDATION ACT OF 1919



■ Head is Commissioner of Immigration, Labor and Statistics, a constitutional officer appointed by the Governor with consent of the Senate, for a term of two years.

x Governor, Auditor, Treasurer, Secretary of State, Attorney General.

⊙ Supt. of Public Instruction, Secretary of State, Attorney General.

○ Governor, Secretary of State, Attorney General

▲ Governor, Auditor, Secy. of State, AttyGeneral and Supt. of Public Instruction. Departments created under Administration Consolidation Act are indicated by squares. The Adjutant General and several minor agencies have been omitted from this chart.

other salaries, but not to exceed the amounts appropriated by the legislature. Twelve subordinate officers, specifically provided for in the act, are appointed by the governor and placed under the control of the commissioner. However, the internal organization of each department is left largely to the discretion of the commissioner.

The department of agriculture has control over the agricultural, horticultural and live stock functions of the state, and in addition, the regulation of weights and measures. This department collects and publishes data concerning farm production and marketing, assists and promotes the organization of farmers' institutes and local fairs, and acts as an employment agency for the distribution of farm labor. Within the department are four directors, namely, markets, animal industry, plant industry, and fairs. The department has a non-executive board, known as the board of agricultural advisors, which happens to be the only advisory board created by the consolidation act. It consists of nine unpaid persons, appointed and removable by the governor. They must be citizens engaged in agricultural pursuits, not excluding representatives of the agricultural press and of the state agricultural experiment station.

The department of commerce and industry executes the laws relating to the banking and insurance business carried on within the state. It also regulates investment companies and administers the state industrial insurance fund. Under the head of the department there is a director of insurance, and a manager of state industrial insurance.

The department of finance exercises the functions of the state examiner and the state depository board. It prescribes forms and installs uniform

accounting procedure. It inspects securities and state depositories and examines accounts of agencies receiving money from the state. The assessment of property and the levy, collection, apportionment and distribution of taxes are under the control of this department. The state board of equalization, a constitutional and *ex officio* body, co-operates with this department in the exercise of its taxation functions. The collection of the estimates and other budget data is also a function of this department. The head of the department of finance prepares from this information a tentative budget plan which he presents to the governor and the governor-elect.

The department of immigration, labor and statistics is the bureau of immigration, labor and statistics, previously established by the constitution. The principal work of this department is to promote the welfare of workers through investigations of their commercial, industrial, social and sanitary relations and conditions.

The department of law enforcement examines and registers applicants for licenses in the various professions. It controls the regulation and registration of motor vehicles. It supervises the fish hatcheries and game preserves of the state. To assist the department in the registration of occupations, the commissioner may name boards of from three to five members from the various professions to conduct the examinations for licenses.

The department of public investments controls, loans and invests all the permanent funds of the state in the manner provided for by the constitution. It also controls all securities in which the permanent funds of the state are invested.

The department of public welfare directs the state sanitariums and the soldiers' home. It also exercises func-

tions in connection with public health and food inspection.

The department of public works constructs and maintains the state highway system. The county and highway district commissions are required to cooperate with this department.

The department of reclamation is concerned mainly with irrigation. The state board of land commissioners, an *ex officio* and constitutional body, cooperates with the department in its work.

IV—NEBRASKA'S CONSOLIDATION PLAN

Movement for Administrative Consolidation

The 1913 legislature of Nebraska authorized a joint committee of the two houses to make a study of the administrative organization of the state. The report of this committee, which was made the following year, showed the need for reorganization and recommended that the legislature provide for a survey as a means of working out a consolidation plan. The legislature took no immediate action, but both Governors Moreland and Neville in their messages to that body recommended the adoption of a plan of administrative consolidation and the establishment of an effective budget system. The platform upon which the present governor was elected pledged the party to the realization of a consolidation plan and budget system. Accordingly, the 1919 legislature under the leadership of Governor McKelvie passed a law, known as the "civil administrative code," which provides for the consolidation of most of the statutory administrative agencies of the state.

Organization under the Civil Administrative Code

The civil administrative code creates six departments as follows: finance,

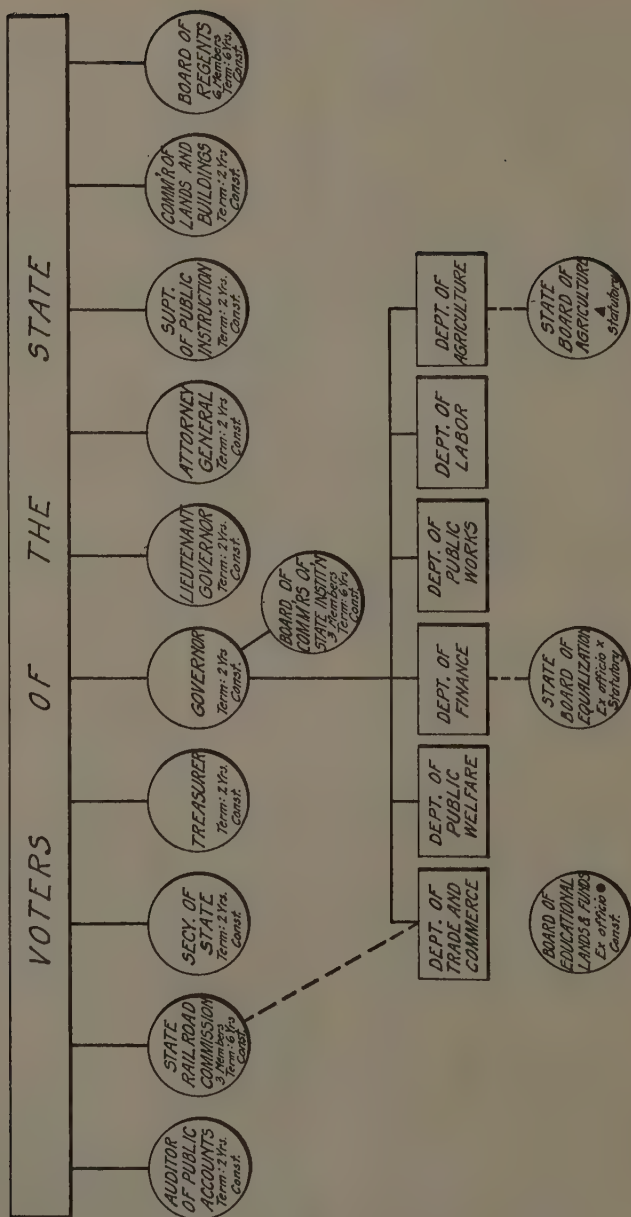
agriculture, labor, trade and commerce, public welfare, and public works. This reorganization does not include the constitutional administrative officers and four constitutional boards—the state railroad commission, the board of regents, the board of commissioners of state institutions, and the board of educational lands and funds. Two statutory boards, the state board of equalization and the state board of agriculture, are continued and are attached to the departments of finance and agriculture, respectively. Each of the six departments has a single head, called a secretary, who is appointed by the governor with the senate's approval for a term of two years. The secretaries each receive an annual salary of \$5,000 which is twice that of the governor. No subordinate officers are designated in the code. The governor appoints the employees of the departments after consultation with the secretaries. The secretaries prescribe the regulations for their respective departments.

The work of the department of finance consists mainly of new functions. The department prescribes and installs uniform accounting methods and procedure. It controls the expenditures of the other departments and supervises their financial reports. It investigates duplication of work among the departments and acts as a staff agency to the governor in the preparation of the budget. Supervisory powers over the field of taxation are vested in this department. It also prescribes rules governing the purchase of supplies.

The department of agriculture, to which is attached in an advisory capacity the state board of agriculture, supervises the functions relating to agriculture, care of live stock and preservation of fish and game. Markets and marketing is a new division

NEBRASKA

ORGANIZATION OF STATE ADMINISTRATION UNDER THE CIVIL ADMINISTRATIVE CODE OF 1919



• Governor, Secy. of State, Treasurer, Atty.-General, Commr. of Land and Bldgs.
x Governor, Auditor, Treasurer, Secy. of State, Commr. of Land and Bldgs.
▲ Composed mainly of representatives of State Agricultural Agencies.

The Adjutant General and several minor agencies have been omitted from this chart.
Departments created under the civil administrative are indicated by squares.

of work which was added to this department by the code.

The department of trade and commerce regulates corporations, particularly banking and insurance companies, doing business within the state. The state railway commission, a constitutional elective board, co-operates with this department in the exercise of its functions.

The department of labor administers the workmen's compensation, the child labor law, the health and sanitary inspection, and the safety regulation of factories and other places of employment. In connection with this department is a state board of mediation and investigation, consisting of the governor and the six secretaries of the code departments.

The department of public works supervises the construction of highways, irrigation works and drainage systems within the state. It takes over the licensing of motor vehicles from the secretary of state's office.

The department of public welfare executes and enforces the laws relating to food inspection, sanitation and the prevention of contagious and communicable diseases. It conducts examinations for the licensing of all medical practitioners, embalmers and veterinary surgeons. The regulation of weights and measures is under its control. It directs the state system of charities and corrections, and regulates the maternity homes and the placing of dependent and delinquent children.

V—CONSOLIDATION PLAN OF MASSACHUSETTS

Preliminary Surveys of Administrative Agencies

The Massachusetts legislature of 1912 created a commission on economy and efficiency consisting of three members. Among other things this

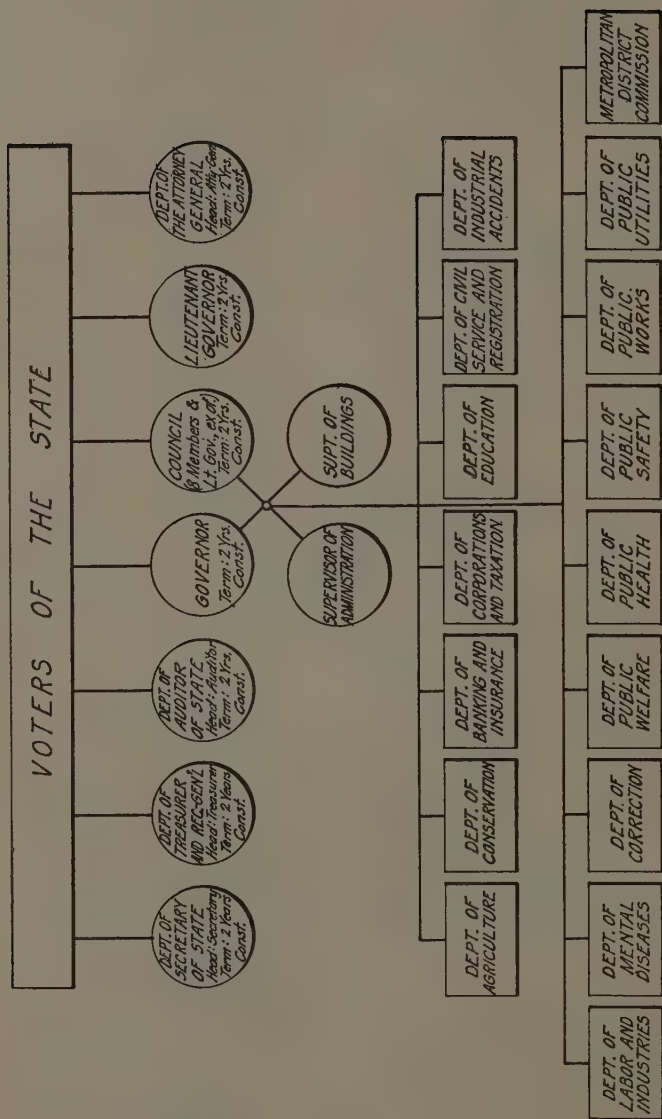
commission made a study of the administrative organization and submitted to the governor in November 1914 a comprehensive report on "The Functions, Organization and Administration of the Departments in the Executive Branch of the State Government." This report contained no constructive proposals for reorganization and consolidation. Later, however, the commission made recommendations for the reorganization of the administration of the militia, the state normal schools, and the transfer of certain functions among the existing departments. In 1916 the commission was abolished and its functions given to the newly created supervisor of administration.

The 1917 legislature created a joint special committee on finances and budget procedure and authorized it to "investigate and consider the matter of the consolidation and abolition of commissions." This committee made a report to the 1919 legislature in which it stated that the administrative work of the state was performed by two hundred and sixteen more or less independent agencies—one hundred and ten of which had a single official in charge; three of which had a single official with an advisory council; and one hundred and three of which were headed by boards or commissions. The committee proposed a tentative plan of consolidation which did not affect the constitutional administrative officers, but grouped the remaining administrative agencies under eleven departments, the heads of which were to be appointed by the governor with the approval of the council.

Constitutional Amendment Providing for Consolidation

The constitutional convention of Massachusetts, which held its concluding sessions during the summer of

MASSACHUSETTS
ORGANIZATION OF STATE ADMINISTRATION
UNDER CONSTITUTIONAL AMENDMENT OF 1918
AND CHAPTER 350, GENERAL LAWS OF 1919



The Adjutant General and several minor boards placed under the Governor's Office have been omitted from this chart.
The consolidated departments are indicated by squares.

1918, took up the subject of administrative consolidation, the result being that an amendment was adopted by the convention and ratified by the people on November 5, 1918. This amendment reads: "On or before January 1, 1921, the executive and administrative work of the Commonwealth shall be organized in not more than twenty departments, in one of which every executive and administrative office, board and commission, except those officers serving directly under the Governor or the Council, shall be placed. Such departments shall be under such supervision and regulation as the General Court may from time to time prescribe by law."

Passage of Administrative Consolidation Act

Following the adoption of the amendment providing for consolidation, the office of the supervisor of administration made a general survey of the agencies of the state. Upon the basis of this and previous surveys a plan of consolidation was proposed and submitted to the 1919 legislature, together with a number of bills designed to carry the plan into operation. This plan proposed no changes in the offices of the elective constitutional officers except the addition of a few functions. Five of the proposed departments were to be headed by constitutional officers, and the remaining administrative agencies of the state were to be grouped under fourteen departments, making a total of nineteen proposed departments. Some of the fourteen departments were to be administered by single heads and others by commissions. In every case these department heads were to be appointed by the governor with the approval of the council and were to serve for longer terms than the two year term of the governor.

Several other proposals for consolidation, besides that of the supervisor of administration, were submitted to the legislature. Upon consideration of these proposed plans as embodied in a number of separate bills before the legislature, it was decided to frame a single bill which would set forth the consolidation plan as a whole. Accordingly, a bill was prepared by the legislative committee on administration and commissions to which had been referred the governor's recommendations and all bills pertaining to administrative reorganization. This bill was introduced into the legislature on June 6, passed with a few minor changes and received the approval of the governor on July 23.¹ Its provisions are to become effective on December 1, 1919.

Organization under Consolidation Plan

The administrative consolidation act of Massachusetts groups the executive and administrative functions of the state, "except such as pertain to the governor and the council, and such as are exercised and performed by officers serving directly under the governor or the governor and council," into the departments of the secretary of the commonwealth, the treasurer and receiver general, the auditor of the commonwealth and the attorney-general, headed by constitutional elective officers, and the following departments created by the act: agriculture, conservation, banking and insurance, corporations and taxation, education, civil service and registration, industrial accidents, labor and industries, mental diseases, correction, public welfare, public health, public safety, public works, public utilities, and a metropolitan district commission. The plan, therefore, establishes twenty depart-

¹ Chapter 350, General Laws of 1919.

ments, excluding the governor's office, —the maximum number permitted under the constitutional amendment.

The general scheme of organization, as will be seen later, is very complicated and involved. Practically all the officials connected with the existing administrative agencies have been retained, their offices being continued in existence and placed under the several departments without alteration either in personnel or duties. Seven boards, which apparently did not fit into the scheme elsewhere are placed under the governor and council. The military and naval functions, the office of supervisor of administration and the newly created superintendent of buildings are also placed under the governor and council. The superintendent of buildings will care for the state house and manage the purchasing of supplies for the departments. All appointments made by the governor must have the approval of the council, an independent elective body of nine members. The administrative officers are appointed in nearly all cases for terms of three or five years, and the members of the administrative and other boards are usually appointed for overlapping terms varying from three to six years. In all cases, except those of the elective constitutional officers, the terms of the principal administrative officers are longer than that of the governor, his term being fixed by the constitution at two years.

Few changes have been made by the consolidation act in the work of departments which will be headed by the four constitutional officers. To the department of the secretary of the commonwealth have been added the functions performed by the commissioner of public records and the bureau of statistics, both of which are abolished. The existing board of retire-

ment and the commissioners on firemen's relief are placed under the department of the treasurer and receiver general where they continue to exist and to perform their present functions. The departments of the auditor of the commonwealth and of the attorney general [continue as previously organized.

The department of agriculture will be under the supervision and control of a commissioner assisted by an advisory board of six members, all of whom are appointed by the governor with the approval of the council. The commissioner will serve for a term of three years and the members of the advisory board for overlapping terms of three years, two being appointed each year. The annual salary of the commissioner is not to exceed \$5,000 and the members of the advisory board are to receive \$10 per diem and traveling expenses. The commissioner must organize the department into at least five divisions: dairying and animal husbandry, plant pest control, ornithology, markets and reclamation, soil survey and fairs, and may add other divisions. He may appoint and remove the director of each division.

The department of conservation will be under the control of a commissioner appointed by the governor with the approval of the council for a term of three years at an annual salary not to exceed \$5,000. He will be designated by the governor as director of one of the three divisions into which the department will be divided, namely forestry, fisheries and game, and animal industry. However, provision is made for the retention of the present commissioner of animal industry in the capacity of director of the division of animal industry, his appointment to office to be made hereafter as formerly provided by law. The director of the remaining division will be

appointed by the governor with the approval of the council for a term of three years, and should he serve as head of the division of fisheries and game he will receive a salary not to exceed \$4,000 per year. The directors will act as an advisory council to the commissioner.

The department of banking and insurance will be organized into three divisions, a division of banks and loan agencies, a division of insurance and a division of savings bank life insurance. Each division will be under the control of a commissioner, the commissioner of banks and the commissioner of insurance to be appointed by the governor with the council's approval for terms of three years at annual salaries not to exceed \$5,000 each. The commissioner of savings bank life insurance will be one of the board of trustees of the corporation known as the general insurance guaranty fund, his term of office to be that of his appointment as trustee. Since it is obvious that this department has triple heads, the act provides that the commissioners "shall act as a board in all matters concerning the department as a whole." The three divisions are really independent agencies nominally brought together. The existing boards of bank incorporation and of appeal on fire insurance rates are continued under the division of banks and loan agencies and the division of insurance, respectively.

The department of corporations and taxation will consist of the office of tax commissioner and commissioner of corporations as now organized. The present tax commissioner and commissioner of corporations will become the commissioner of the department at a salary not to exceed \$7,500 per year. The department will be organized into an income tax division, a division of corporations, a division of inheri-

tance taxes, a division of local taxation, and a division of accounts. The commissioner will appoint, subject to the approval of the governor and council, a director at the head of each division and also fix the salaries of such directors.

The department of education will be under the control of a commissioner and an advisory board of six members appointed by the governor with the approval of the council. The commissioner's term of office is fixed at five years with an annual salary not to exceed \$7,500. The members of the advisory board will serve for overlapping terms of three years, two being appointed each year. At least two members of this board must be women, one of whom shall be a teacher. The department will be organized into such divisions as the commissioner with the approval of the governor and council may determine, but must include a division of public libraries, a division of education of aliens and a division of the blind. The division of public libraries will consist of the board of free public libraries as now organized, the chairman acting as director of the division. The division of education of aliens will consist of a director, who may be a woman, and an advisory board of six members appointed by the governor with the approval of the council, the director for a term of five years and the board members for overlapping terms of three years. The division of the blind will consist of the commission for the blind as now organized, the head of the commission acting as director of the division. Such other divisions as may be organized will have a director in charge appointed by the commissioner with the approval of the advisory board. Hence the department of education will consist of three divisions, administratively independent of each

other, and a possible group of divisions with heads appointed by the commissioner. The present boards of trustees of five schools and the teachers' retirement board are continued in existence and are placed in the department.

The department of civil service and registration will be organized in two divisions, a division of civil service and a division of registration. The division of civil service will be under the control of a commissioner and two associate commissioners appointed by the governor with the council's approval for overlapping terms of three years, the commissioner to receive not more than \$5,000 annually and the associate commissioners not exceeding \$2,000 each. The three constitute a board for the preparation of rules and regulations and the holding of hearings on civil service matters. The division of registration is under the supervision of a director appointed by the governor and council for a term not to exceed two years at an annual salary of \$1,500. As a possible means of co-ordinating the work of the department the act provides that the commissioner of civil service and the director of registration "shall act as a board in all matters affecting the department as a whole." Ten state registration boards are continued in existence and are placed under the division of registration.

The department of industrial accidents will consist of the present industrial accident board as now organized with its duties and functions unchanged.

The department of labor and industries will be under a commissioner, an assistant commissioner, who may be a woman, and three associate commissioners, among whom must be a representative each of labor and employers. All are appointed by the

governor with the council's approval for terms of three years, the associate commissioners' terms being overlapping. The commissioner will receive \$5,000 annually and the assistant and associate commissioners \$4,000 each. The associate commissioners will constitute a board of conciliation and arbitration.

The department of mental diseases will consist of the present Massachusetts commission on mental diseases. The commissioner of mental diseases will become the administrative head of the department.

The department of correction will be under the control of a commissioner appointed by the governor with the council's approval for a three year's term at an annual salary not to exceed \$6,000. The commissioner with the approval of the governor and council may appoint, remove and fix the salary of two deputy commissioners.

The department of public welfare will be under the supervision of a commissioner and an advisory board of six members, two of whom must be women, all appointed by the governor with the council's approval. The commissioner's term will be five years and the members of the advisory board will be appointed for overlapping terms of three years, two each year. The commissioner will be *ex officio* a member of the advisory board and will receive an annual salary not to exceed \$6,000. The department will be organized into three divisions, namely, aid and relief, child guardianship, and juvenile training. Each division will have a director, the directors of aid and relief and of child guardianship being appointed, removed and salaries fixed by the commissioner with the consent of the governor and council. The director of juvenile training will be a member of the board of trustees of Massachusetts training

schools, designated by the governor, and will serve without compensation. This officer is, therefore, practically independent of the commissioner. The commissioner will prepare and present for the consideration of the advisory board rules and regulations governing the conduct of his department which will become effective upon approval by a majority of the members of this board. Several existing boards will be continued and placed in this department.

The department of public health will be the present department of health as now organized and the head of the present department will become its commissioner.

The department of public safety will be under the supervision of a commissioner appointed by the governor with the approval of the council for a term of five years at an annual salary not exceeding \$5,000. The department will be organized into three divisions,—a division of state police headed by the commissioner, a division of inspection under a director known as chief of inspections, a division of fire prevention under a director known as state fire marshal. The two directors will be appointed by the governor and council for terms of three years at annual salaries not to exceed \$4,000.

The department of public works will be under the control of a commissioner and four associate commissioners, all appointed by the governor with the approval of the council. The commissioner will serve for a term of three years, and the associate commissioners for overlapping terms of two years. The department will be divided into a division of highways and a division of waterways and public lands. The governor will designate two of the associate commissioners to have charge of each of these divisions,

thus making a dual-headed administration of the divisions. The commissioner will appoint with the approval of the governor and council a registrar of motor vehicles.

The department of public utilities will be under the management of a commission of five members appointed by the governor with the consent of the council for overlapping terms of five years. The governor will designate one of the commissioners chairman, who will receive an annual salary of \$9,000. Each of the other commissioners will receive an annual salary of \$8,000.

The metropolitan district commission will be composed of a commissioner and four associate commissioners, all appointed by the governor with the approval of the council. The commissioner will serve for a term of five years at an annual salary of \$6,000, and the associate commissioners for overlapping terms of four years at \$1,000 each per year.

VI—PROPOSED CONSOLIDATION PLANS OF OTHER STATES

Plan Proposed for Oregon

The 1917 legislature of Oregon authorized the appointment of a "commission of seven business men" to study the state administration with a view to recommending consolidation. This commission was appointed by the governor and became known as the consolidation commission. In making the survey it was assisted by three of the largest educational institutions of the state. Later it engaged Professor John M. Matthews of the University of Illinois and Mr. Fred Topkins of Portland to put the report in final shape.

The report of this commission, as submitted to the 1919 legislature, while brief, containing about forty-

five pages, makes specific recommendations for a comprehensive plan of administrative consolidation. It points out as the main defects of the present system: The existence of too many elective officers; the division of the administration into too many departments and agencies for adequate control by the governor; and the sharing of the appointive power of the governor with other officials, boards and commissions. It then lays down certain general principles to serve as a guide in the plan of reorganization, namely, that the governor appoint the heads of all administrative departments, that in making appointments the governor be privileged to act in all cases without confirmation by the senate and have unhampered power of removal, and that all minor officers of the departments be chosen under civil service regulations.

The plan of the commission proposes to consolidate all existing administrative offices and agencies into ten departments, and involves both constitutional and statutory changes. These departments are finance, law, tax, education, labor, health, agriculture, trade and commerce, public welfare (institutions), and public works. The two hundred and fifty officials under the present arrangement would be reduced to forty officials by this reorganization. All of the proposed departments are to have single heads appointed by the governor and serving at his pleasure. In the case of the finance department, however, the report is not very clear as to the overhead organization. A chart of the proposed organization indicates that this department is to be under the control of a finance commission composed of the governor, secretary of state and state treasurer, the functions of the secretary of state and state treasurer being included in the depart-

ment. Recommendations are made for the separation of the functions of auditing from the office of secretary of state and for the creation of a state auditor of public accounts elected either by the legislature or the people; also for the creation of the office of lieutenant governor elected by the people. The departments of education, public health, agriculture, public welfare and public works are to have advisory boards attached to them.

No definite action was taken by the 1919 legislature upon the plan proposed by the consolidation commission.

Plan Proposed for Delaware

During the summer of 1918 the Delaware State Council of Defense engaged the New York Bureau of Municipal Research to make a complete survey of the state administration, as well as of the governments of the three counties of the state and the city of Wilmington. This survey was completed by the end of the year and a report was submitted to the council for its approval and presentation to the legislature.

It was found in making this survey that the administrative branch of the state government includes one hundred and seventeen separate agencies, which are in most cases independent of each other and without any direct and effective over-head supervision. Of these agencies, the heads of six are elected by the voters, eighty-three are appointed by the governor (in most cases with the senate's approval), two are appointed by judges of the superior court of the state, twelve are appointed by boards and administrative officers other than the governor, and fourteen are *ex officio* bodies. Fifty-four of the total number of agencies are headed by boards or commissions. Much duplication of work as well as scattering of functions exists.

The report points out that the present administrative arrangement of Delaware is not adapted to unified financial planning and control, in other words, that the governor cannot prepare effectively a budget for legislative consideration when he has to deal with more than one hundred separate agencies. It further maintains that the board type of administration is not only unbusinesslike, but irresponsible; that boards should never be charged with purely administrative functions, but should perform only quasi-judicial, quasi-legislative or advisory functions. Among the general recommendations of the report are the following: The governor should be the only elective administrative officer; he should have the sole power to appoint and remove all department heads; he should be fully responsible for the preparation of the budget; the office of lieutenant governor should be abolished; the control of the state militia should remain under the governor's office. The report makes specific recommendations for the distribution along functional lines of the work of the existing offices, boards, commissions and other agencies among nine departments, namely, state, finance, labor and industry, health, public welfare, agriculture, highways and drainage, education, and law. Any new functions created in the future are to be assigned to one of these departments. Each department is to have a single head appointed by the governor and serving at his pleasure. In the case of the department of finance, however, the governor is to act as head *ex officio* and appoint the four bureau heads of the department. The subordinate officers of all the other departments are to be appointed by the department heads. In the department of labor and industry the commissioner and his two bureau heads are to sit as an indus-

trial board for the exercise of quasi-judicial powers. The departments of public health, agriculture and public welfare are each to have advisory councils composed of six members appointed by the governor, and the commissioner of the department *ex officio*.

While the 1919 legislature did not take any definite action upon the plan as a whole, it authorized the appointment of a commission of five members to study the proposed reorganization and to report to the next legislature. This commission, known as the state survey commission, has been appointed by the governor and is now at work upon the plan of consolidation.

Plans Proposed for California

During 1918 the Taxpayers' Association of California prepared a plan of consolidation for the state administration. This plan, as published in the *California Taxpayers' Journal* for January, 1919, does not involve the elimination of any function now performed by the state government; does not eliminate any constitutional officer or board (although constitutional amendment is recommended for later consideration); and can be adopted in its entirety by statutory enactment. In grouping the existing administrative agencies under the proposed plan the functional unit has been used as a basis for co-ordination. The administrative functions are grouped under two main heads, namely, protective and constructive. "Protective" is subdivided into administrative, preventive, curative, conservative and defensive; and "constructive" into developmental, reclamatory and educational. These subheads are divided and redivided. It is claimed that the methods used elsewhere in the regrouping of administrative agencies for the purpose of consolidation have largely overlooked func-

tional lines. In this report is printed an elaborate functional analysis of the work of the present administrative agencies alongside which is the proposed reorganizational grouping.

The consolidation plan of the Taxpayers' Association proposes the setting up of twelve administrative departments in addition to the offices of governor, lieutenant governor and secretary of state. These departments are finance, law, sanitation and hygiene, commerce and labor, charities and welfare, corrections, care of defectives, conservation, defense, public works, natural resources, and education. The departments of law, charities and welfare, care of defectives, defense, and public works are to be administered by single heads appointed by the governor and directly responsible to him. The other departments are to be administered by boards, the members of which are appointed by the governor. However, in the departments of finance, natural resources and education certain elective officials are to be members of the administrative boards. In most cases where departments are headed by boards the members will serve as division chiefs.

In November, 1918, Governor Stephens appointed a committee on efficiency and economy, consisting of eleven persons, some of whom were state officers. This committee made a report on administrative consolidation which the governor submitted to the legislature on March 20. Its report sets down certain principles which it deems essential to efficient governmental management: Centralization of responsibility; co-operation of the larger organization units; and co-operation of agencies which perform similar or allied functions. These principles have been carried into the proposed plan by creating a governor's cabinet, composed of depart-

mental executives appointed by him; by insuring co-operation of various departments by bringing their administrative officers together in an executive council; and by placing in departments, under one executive head, those agencies which perform similar or allied functions. The report holds that because of the great diversity in the nature of the state's activities it is impracticable to correlate all administrative agencies into larger administrative units. Therefore, nine elective officers and agencies and thirty other administrative agencies, the latter dealing with registration of trades and professions, regulation of financial corporations, local problems, military affairs, pardons and reprieves, civil service, and minor affairs, are not included in the plan of consolidation. The remaining seventy administrative agencies are grouped under ten departments as follows: Finance, trade and corporations, public works, agriculture, natural resources, labor, education, public health, institutions, and social service. The departments of public works, agriculture, natural resources, labor and institutions are to be under the administrative control of directors appointed by the governor and holding office at his pleasure. The department of finance is to have a director of accounts and expenditures and a director of receipts and supplies, both appointed by and serving at the pleasure of the governor, and a board of finance composed of the two directors and the state comptroller. The president of the railroad commission is to be the director of the department of trade and corporations. The department of education is to be under the control of a board, consisting of five lay-members, and the superintendent of public instruction as chief executive officer. The department of public health is to be under the control

of a board of five licensed and practicing physicians, appointed by the governor for overlapping terms of four years. The department of social service is to be administered by an unpaid board of seven members appointed by the governor for overlapping terms of four years. The governor's cabinet is to be composed of the directors of seven departments and the chairmen of the administrative boards of three departments.

Upon submitting this report to the legislature, Governor Stephens declined to give it his full endorsement, consequently no action was taken upon it by the legislature.

On March 27, a bill was introduced in the legislature embodying the consolidation plan proposed by the Taxpayers' Association. Since the end of the legislative session was near, the bill failed to receive any very serious consideration. It is understood that the association will continue to emphasize the need for administrative consolidation and will make an early attempt to bring their plan before the voters by means of the initiative process.

Plan Proposed for New York

Soon after his inauguration in January, 1919, Governor Smith appointed a reconstruction commission, consisting of thirty-five members, which was organized into a number of committees, each charged with the investigation of an urgent need or immediate problem in connection with the administration of the state's affairs. The committee on retrenchment of this commission, with the assistance of a staff, conducted a study of the organization of the entire state administration and recently published a four hundred page "Report on Retrenchment and Reorganization in the State Government."

This report maintains that adminis-

trative consolidation is one of the most effective means of retrenchment. It, therefore, outlines a comprehensive plan of administrative reorganization for the state of New York. Briefly, the principles upon which the report bases the plan of consolidation are as follows: Grouping of all administrative agencies into a small number of departments, each headed by a single officer except where quasi-legislative, quasi-judicial, inspectional or advisory functions require a board; giving the governor the power to choose with the senate's approval the department heads who are to constitute his cabinet; extending the governor's term to four years and making the terms of department heads coterminous with his; making appropriate subdivisions of departmental work; and establishing an executive budget system.

The report proposes to consolidate the one hundred and eighty or more administrative agencies of the state into sixteen groups, composed of eighteen departments and two public service commissions. The departments are executive, audit and control, taxation and finance, attorney general, state, public works, conservation, agriculture and markets, labor, education, health, mental hygiene, charities, correction, banking, insurance, military and naval affairs, and civil service. The plan involves constitutional changes; only the governor, lieutenant governor, and comptroller will remain elective. The comptroller is to head the department of audit and control and his department will exercise only strictly auditing functions. Under the executive department is to be a bureau of administration charged mainly with the preparation of the budget and the conducting of special investigations for the governor. The departments of taxation and finance, attorney general, state, public works, conservation, bank-

ing, insurance, and health are to be under the control of single heads appointed by the governor with the approval of the senate. Attached to the department of health is to be an advisory council of six members, appointed by the governor for overlapping terms of six years, and the department head *ex officio*. The department of military and naval affairs is to be headed by the governor, who will appoint as his deputy an adjutant general. A commission of five and ultimately of three members, appointed by the governor with the senate's approval for terms of five years, is to head the department of labor. The department of agriculture and markets is to be under the control of a council composed of one representative from each of the nine judicial districts of the state, one representative at large, and the commissioner of markets of New York City *ex officio*; the ten members to be elected by the legislature for terms of ten years. This council will select a commissioner to be administrative head of the department. The department of education is to be under the control of the board of regents of the University of the State of New York, composed of twelve members, one from each judicial district and three at large, appointed by the legislature for overlapping terms of twelve years. The regents will appoint a commissioner as executive head of the department. The department of mental hygiene is to be under the direction of a commission of three members appointed by the governor, two for terms of six years and the other to serve during good behavior. The department of charities is to be under the control of a board of twelve members, one from each judicial district and three additional from New York City, appointed by the governor for overlapping terms of six years, two being appointed each year.

The department of correction is to be headed by a single commissioner appointed by the governor with the senate's approval. Attached to this department is to be an advisory council of five members appointed by the governor for overlapping terms of five years, and a board of parole and probation of three members in turn appointed by the advisory council and serving at its pleasure. The three departments of mental hygiene, charities and correction are to be co-ordinated in their work by a council of public welfare composed of the chairmen of the controlling boards of two of the departments and the head of the other department, also the commissioners of health and education. The department of civil service is to be directed by the chairman of a board of three appointive members. There are to be two public service commissions, one for New York City and one for the remainder of the state, each composed of a single commissioner appointed by the governor with the consent of the senate.

Recommendations are made in the report for the establishment of an executive budget system, for centralized purchasing of supplies, for better control of state printing, and for the standardization and grading of the personal service of the state. This report will be used by Governor Smith as a basis for executive recommendations to the 1920 legislature.

VII—CONCLUSIONS

It may be of interest by way of conclusion to attempt a brief summary of certain general principles with reference to administrative reorganization which seem to be pretty well established by the consolidation plans now in operation in Illinois, Idaho and Nebraska, and also to point out the

deviations from these principles as embodied in the Massachusetts plan soon to go into operation.

In the first place, the consolidation plans have grouped the existing administrative agencies mainly upon a functional basis. Work of a related or allied nature has been brought together, so that on the whole the general lines of classification seem to be pretty well agreed upon. There are, however, such functions as the registration of trades and professions which are as yet not definitely assigned to any particular group. For example, Illinois groups registration with functions which are primarily educational; Idaho places registration in the department of law enforcement; and Massachusetts proposes to associate registration with civil service.

In the second place, the number of administrative departments have been reduced to the minimum consistent with the general lines of functional grouping. Illinois and Idaho have nine departments each, and Nebraska six, not including the constitutional administrative agencies; and Massachusetts has twenty departments, excluding the governor and council. Probably there would have been a smaller number of departments in Massachusetts if it had not been for the reaction of certain institutional and political forces. If the constitutional agencies of Illinois, Idaho and Nebraska were included with the code departments, the number of departments in each case could probably be made less than fifteen. It seems desirable, if the governor is to bring his department heads together as a cabinet for the consideration of administrative and financial affairs, to have not more than twelve or fifteen departments.

In the third place, one person is made fully responsible for the administra-

tive work of each department. This is the established rule under the consolidation plans of Illinois, Idaho and Nebraska. All the departments created under the administrative codes of these states are administered by single heads appointed by the governor with the approval of the senate. The Massachusetts plan, however, is very inconsistent on this point. For the administration of some departments it proposes single heads, either elective or appointive by the governor and council, and for the administration of other departments it sets up boards appointed by the governor and council. Two departments—department of banking and insurance, and department of civil service and registration—are headless, however, each is nominally unified by a provision requiring the independent division heads to "act as a board in all matters concerning the department as a whole."

To each department having in connection with its work duties of a quasi-legislative or quasi-judicial character, the Illinois code provides that a board be attached for the performance of such duties. These boards are attached to such departments as labor, mines and minerals, and trade and commerce. While these boards act as independent entities in the performance of their duties, they are, nevertheless, component parts of the departments to which they each belong. The Massachusetts plan uses the board organization of the overhead administration to perform any quasi-legislative or quasi-judicial duties which may devolve upon the departments, practically all the departments performing such duties being administered by boards.

The need for advisory or non-executive boards is recognized by the codes of Illinois and Idaho and by the consolidation act of Massachusetts. The

members of such boards are required to have experience in the work of the departments to which they are attached and are usually appointed in the same manner as the department heads. These boards are associated with such departments as agriculture, public works, public welfare, health and education.

In the fourth place, the department heads and other administrative officers are not given a longer tenure of office than that of the governor. The codes of Illinois and Nebraska fix the terms of such officers for the same period as the term of the governor. The Idaho code does not fix definite terms of office, but the administrative officers serve at the pleasure of the governor, it being understood, of course, that, unless reappointed, they resign their offices soon after the expiration of the governor's term of office. The Massachusetts plan, however, provides that practically all administrative officers shall serve for terms of three or five years, and the members of all administrative boards shall be appointed for overlapping terms of from three to six years. Since the constitution fixes the governor's term of office at two years, he will never be able to control his administration by appointment, even if he is not blocked by action of the council, except he hold office for at least two successive terms, and perhaps then he will not have gained control until it is too late for him to accomplish anything. It seems quite necessary that the chief administrative officers should not hold office longer than the governor if he is to be held fully responsible for the administration, and in this event the governor's term of office should be four years.

In the fifth place, provisions are made for the establishment of an executive budget system. The codes of Illinois, Idaho and Nebraska pro-

vide that the department of finance shall supervise the gathering of estimates and other budget data and that the head of this department shall have the power to approve, disapprove or alter the estimates in the process of making up a tentative budget for submission to the governor to be used as a basis for the governor's budget recommendations to the legislature. After the expenditure of appropriations has been authorized by the legislature, the governor has the power through the general control vested in his department of finance and by reason of the greater authority which he exercises over the administration because of consolidation to enforce the proper execution of the expenditures. In Massachusetts the office of supervisor of administration under the governor and council receives the estimates, reviews them and makes the necessary investigations for the preparation of the budget. The governor, after the appropriations have been authorized by the legislature, can exercise practically no control over their expenditure under the plan of administrative organization set up by the Massachusetts consolidation act.

Finally, it may be pointed out that the work of consolidation thus far accomplished in Illinois, Idaho and Nebraska, as well as the plan enacted for Massachusetts, has certain limitations. The codes of Illinois, Idaho and Nebraska are only statutory documents, and consequently do not include the administrative agencies set up by the constitutions of these states. While the constitutional officers of Massachusetts are included in the plan of consolidation, their offices are each constituted a separate department, their functions remain the same and the manner of their choice to office has not been changed, only a few new duties have been added in some

instances. The principle of executive responsibility has not, therefore, been fully established. Complete consolidation plans cannot be worked out in these states without constitutional revision. Illinois and Nebraska are

soon to hold constitutional conventions, and it is probable that the necessary changes may be made in the constitutions of these states to complete their plans of administrative consolidation.

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Reprinted as a Pamphlet from the
NATIONAL MUNICIPAL REVIEW of September, 1919

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